Develop Israel with Israel Bonds

TUESDAY, MARCH 26, 1957

THE JERUSALEM POST

PRICE : 120 PRUTA
VOL. XXXIII, No. 8770

PARCEL SERVICE EGGED (E.S.D.)

MARGINAL COLUMN
By MEIR MINDLIN

THE discriminatory pinch upon the professional and managerial classes really has set up strains that it is worth removing in the interest of the community as a whole. In order to give greater incentives to wives who go out to work, or could go out to work, a working wife and her husband should receive earned income allowances. There is everything to be said for encouraging professional women to go out to work in this way.

In suggesting that some money might be afforded for reliefs that are not quite so directly tied to incentives, the proponent of tax reform for the middle classes must be careful to justify his case. It is an economic as well as a political mistake to be continually pleading for class, instead of for community interests. Yet in so far as there is any truth — and there is a little — in the story that professional people with rare skills are being tempted to emigrate from this country, it is because they feel unduly pinched at certain periods of their career, rather than because of the effect of high taxes upon incentives to work; and this general pinch is also inhibiting some of the middle classes from doing things that are socially desirable — especially, of course, from financing the best possible education for their children. It is these points that should be borne in mind in considering whether any middle class reliefs, other than on the earned income allowance, should be accorded.

Many parents with children at university make great sacrifices, but there are more than ten times as many who claim that although they would like to send teir children to university they cannot afford to do so.

●

NO, these are not our observations, nor are they translated from the Israel press. The first two paragraphs come from "The Economist" and the last from a survey of education and family budgets made by "The Observer." It may seem odd or superfluous to have thus to point out that others have their troubles too — and remarkably similar to ours as well — but it does seem necessary after all. Friends recently returned from abroad remarked about the disproportionate amount of complaints they were hearing, "as if nobody else ever had any troubles." This is cold comfort, even if the Hebrew proverb does say that "one is half consoled by others having the same troubles," but the point is that one should distinguish between problems that are specifically ours — such as the economic and psychological effects of our security situation — and those we share with the 20th century world in general, particularly with other welfare states like Britain. There is something peculiar in this indigenous style of complaint. An Englishman or American blames his government, his party — sorry, the other party — his boss, or his own bad luck, but it would never occur to him to blame the country as such. He may think his country is "going to the dogs," but that's as far as he would go.

●

IN one sense, of course, the making of this country involved packing a good deal of dream stuff into the concrete blocks, the sort of utopian binder which, in its odd way, stirs to action, but which, with the passage of years, one is able to discard, perhaps with a sigh of regret for pristine visions of perfection, or with a startled look backwards at one's former self as one begins to enjoy the scuff and scratch of real soil under one's feet. The complaining habit of mind — as opposed to the really critical turn of mind, which is in short supply here — is contagious, and it takes a certain maturity and independence not to fall in with it. The real problems are certainly there, both those we share with other nations, such as the encroachment of the state on the individual's life and the endless ramifications of bureaucracy, the dangers of mass culture and the impoverishment of the middle class — and those we have as our own special concession: a standard of living which far outstrips our production, the war of nerves and constant oppression of living in a hostile environment, the lack of basic natural resources and fuels, the westernization of over half of our population, etc., etc. Only a keen sense of reality, of our own limitations, and genuine possibilities, will enable us to tackle them.

Jerusalem, March 26

Nehru Repeats Call For US-Soviet Talks

NEW DELHI, Monday (Reuter). — Prime Minister Nehru told the House of the People (Lower House) here today that there were indications that a satisfactory solution of the Suez Canal problem might be reached which would safeguard Egypt's national rights and also be satisfactory to the interests of the international community.

Mr. Nehru repeated his call for the U.S. and Soviet leaders to meet face to face to discuss their respective plans for peace in the Middle East.

Talks on British Shipyard Strike Break Down

LONDON, Monday (Reuter). — Hopes of ending Britain's nationwide shipyard strike were dashed tonight when trade union leaders rejected an offer by the employers of a 5 per cent wage rise.

After five hours of talks the negotiations reached deadlock with the unions, still demanding a 10 per cent rise for 200,000 members now in the second week of the strike.

Representatives of both sides went to report to Labour Minister Ian Macleod on their failure to reach agreement.

The new breakdown came as a shock, as it had been hoped that a settlement of this dispute could lead to an end of the country's second major walkout, a strike of one million engineers which went into full swing today.

Both strikes have been called by the Confederation of Ship building and Engineering Unions.

Strong pickets guarded entrances to striking factories, throughout the 10 areas this morning, allowing only office workers and in some cases apprentices to enter.

Few incidents occurred, and reports indicated 100 per cent support for the strike.

Dock mooring parties for the big Cunard liners at Southampton decided today to refuse to handle the 83,000-ton Queen Elizabeth when she arrives tonight from New York.

Tugmen in the same union have already asked to bring the Queen Elizabeth in, but a union spokesman said that if the Cunard Company used their own staff to handle her at her berth she would be declared "black."

U.N. Chief Inactive On Mt. of Olives

The Prime Minister, Mr. David Ben-Gurion, yesterday charged that the U.N. Secretary-General, Mr. Dag Hammarskjold, had refused to take any steps on Jordan's violation of Section 8 of the Armistice Agreement, which provides for free access to Holy Places.

Asked by Mr. Y. Rokach (General Zionist) about the present condition of the ancient cemetery on the Mt. of Olives, a sacred Jewish place, which (the desecration of which had been confirmed by photographs two years ago), Mr. Ben-Gurion said he could not answer because there was no access to the place.

The Prime Minister said he had applied at the time to the U.N. Secretary-General on the question of Jordan's violation of Section 8 "and as is known, the Secretary General is very strict about the observance of the legalities — if this is necessary for Egypt. To my sorrow and astonishment, the Secretary-General refused to maintain the *status juris* of Section 8, and did not even find it necessary to report to the U.N. on this violation by the Government of Jordan."

Gov't to Bear Cost

In answer to a question by Mr. Y. Riftin (Mapam), Mr. Ben-Gurion said the Government would bear the cost of medical treatment and hospitalization for persons injured in the Kafr Kasim incident and would pay for surgical expenses.

He said 10 of the injured had been compensated according to the National Insurance Rates after they had been examined and the extent of their disability determined.

The remaining three victims, who were still not fit for a medical examination that would determine finally their physical condition, had been paid advances of IL500. One of the injured had refused to accept this advance and the sum had been left with the Local Council Chairman.

Mr. Ben-Gurion said, in answer to a supplementary question, that he had "no objection" to a full examination of the problem by a Knesset committee.

Answering a question on the treatment of Israel prisoners of war by Egypt, the Prime Minister said that the Red Cross, in an investigation conducted in Egypt at Israel's request, had concluded that Egypt had not behaved towards the prisoners in accordance with the Geneva Convention.

He said an official protest had been lodged with the Red Cross, who had transmitted it to Egypt, but no answer had yet been received.

To Mr. Y. Ben-Aharon's (Ahdut Ha'avoda) question as to what the Government and the Defence Forces could do to ensure better treatment of Israel prisoners of war in the future, Mr. Ben-Gurion replied "the best method is the one we employed in the Sinai campaign, that is, the defeat of the enemy."

AFTER MIDNIGHT

A new wave of expulsions was reported yesterday from Sofia where, according to a dispatch from Belgrade, several hundred former "bourgeois" citizens and "unreliable elements" have received orders to leave the Bulgarian capital.

6 Nations Sign Atom, 'Euromarket' Pacts

ROME, Monday (UP). — Six European countries took an historic step towards political unity tonight by signing "irreversible" treaties binding them in a common market and a peaceful atomic energy pool.

The ceremony took place in Rome's ancient Campidoglio City Hall on fabled Capitoline Hill. The West German Chancellor, Dr. Konrad Adenauer, and the Foreign Ministers of France, Italy, Holland, Belgium and Luxembourg were the principal signers.

A few hours before the signing the statesmen of the six countries showed their determination to regard the new pool treaties as a major step toward the centuries-old dream of a United Europe. In a preliminary meeting they pledged to start working immediately on the technical details of full political integration.

The Common Market Treaty called for the gradual abolition of tariffs and trade quotas among the six member states over a period of from 12 to 17 years. The six nations and their 160 million inhabitants will thus have trade flowing almost as freely as it does between states in the U.S.

The "Euratom" atomic pool aims at combing the nations' resources to produce atomic energy for industry and agriculture on a massive scale. It promised an industrial revolution for Europe on an unprecedented scale.

But surpassing the obvious benefits of the pools was the effect they were expected to have in breaking down the old barriers separating Europe's ancient states.

They gave the new race of "good Europeans" real hope of gaining a new lease of life for the old continent's influence in world affairs. There were real hopes of forming a third power between the U.S. and Russia.

To become effective, the treaties must be ratified by the six parliaments.

Prosecution Describes Orgy Of Killing at Kafr Kasim

By MACABEE KASKIN, Jerusalem Post Reporter

The trial of 11 members of the Border Force for the murder of 47 villagers of Kafr Kasim on October 29, the day the Sinai Campaign was launched, began yesterday in "an army camp somewhere in Jerusalem."

Speaking in a voice that carried to the far corners of the courtroom, a reconverted hut, and facing the 11 uniformed men sitting impassively across the room from him, the State Attorney, Mr. Colin Gillon, appearing in the uniform of a Sgan-Aluf, read the charge sheet. It was first read to the accused in January, when they denied the charges.

On October 29, Mr. Gillon began, the Israel Army struck deep into Sinai. At this time forces were stationed in the area known as the Little Triangle to repel possible attack from Jordan. Border Force police were posted to Kfar Kasim and other villages. They had received orders not to interfere with the normal life of the villagers. To prevent any friction arising out of army movements, a curfew was also imposed.

In direct contradiction to the orders to maintain quiet and order, a group of these policemen perpetrated a horrible series of murders. It was a blood-curdling crime which had cast a dreadful stain on the entire nation and its army. It was a crime without justification or explanation. It could not be connected with the Sinai Campaign. In fact, it could have endangered the entire Campaign.

Late in the afternoon of October 29, a unit led by Segen Dehan was sent to Kafr Kasim, a village 800 metres from the Jordan border. They reached the village about 4.30 p.m. A non-commissioned officer told the mukhtar that a curfew had been imposed from 5 p.m. to 6 a.m.

The mukhtar protested; saying that it was impossible to inform all the villagers. Some worked outside the village and would not return, nor could they be reached and warned, before the curfew took effect.

In a low voice Mr. Gillon then described the killings to a deadly silent courtroom. The accused star-Rav Seren Malinki wore dark glasses.

The first villagers to return after the curfew came

(Continued on Page 3, — Col. 1)

Participants at Trial

The Court is composed of Aluf-Mishne Benyamin Halevi (President of the Jerusalem District Court); Aluf Yitzhak Diven, of the Regular Army; and Rav-Seren Yehuda Cohen (a Jerusalem District Court Judge).

The prosecution consists of Sgan-Aluf Colin Gillon (the State Attorney), Sgan-Aluf Moshe David, Chief Army Prosecutor; and Mr. Zvi Terlo, Legal Officer.

The defence is composed of Mr. Asher Levitsky (aided by Mr. Yosef Ezrna) who is defending Rav-Seren Shmuel Malka; Mr. Yitzhak Orrein for Segen Gavriel Dahan; Mr. Max Kritzman and Mr. David Rotlevy, for Private Shalom Ofer; Segen-Mishne Moshe Shweig, for Privates Mahluf Haroch, Eliahu Avraham, Albert Fahima, and Edmond Nahmani and Corporal Gavriel Uliel; and Mr. Gideon Hasid, defending Private Daniel Semaia and Corporal Abdul Rahman Ismail and Private Said Zacharia Shaban (both Circassians who have been supplied with an interpreter).

Dayan to Testify On Talk with Judge

Jerusalem Post Reporter

A demand that Aluf-Mishne Halevi withdraw from the bench in the Kafr Kasim trial since he had discussed it with Rav-Aluf Moshe Dayan, the Chief-of-Staff, was made yesterday by Mr. Max Kritzman, counsel for some of the prisoners.

Rav-Aluf Dayan is to testify this morning on the conversation.

The session opened with Mr. Kritzman stating that he had learned of the conversation from the O.C. Central Command. He did not know its contents.

The State Attorney, Mr. Colin Gillon, prosecuting, said that Judge Halevi was at liberty to speak to whoever he wanted. He could only be disqualified if there was a suspicion of "discrimination." At this stage in the trial, the Chief-of-Staff had no part in the proceedings.

Counsel's Contention

Mr. Asher Levitzky, another defence counsel, said the contents of the conversation, not the fact that it took place, was the deciding factor.

Judge Halevi: How can the contents of the conversation be determined?

Mr. Gillon: By submitting testimony.

Mr. Kritzman then said that the conversation *per se* was the deciding factor. Justice must not only be done, it must manifestly appear to be done. If Judge Halevi stated that no talk had taken place, it was one thing. However, if he admitted holding the conversation, then he must be disqualified, even if its contents were innocent.

Judge Halevi retired to his chambers to consult with the two other judges. After 25 minutes, he reconvened the Court and stated that Mr. Kritzman could call Rav-Aluf Dayan as a witness.

Mr. Kritzman is to do so today.

Reparations Claims Of Austrian Jews

Replying to a question on reparations to Austrian Jews (asked by Mr. Rokach), Mr. Ben-Gurion said the Government was aware of the claims of Austrian immigrants in Israel and was following developments in this field. The Government was in constant touch with Jewish organizations representing these claims, he declared.

He said that with the signing of a political agreement in 1955 between Austria on the one hand and Russia, Britain, the U.S. and France on the other, Austria had given up its claims against West Germany in exchange for German property within her borders.

It is a political rule that a country which gives up compensation rights for her citizens must become responsible herself to pay such compensation. It was, therefore, impossible to demand compensation from Germany for Austrians.

The Prime Minister said that the delegation of Jewish organizations, headed by Dr. N. Goldmann, had tried to get Austria's agreement for the payment of compensation to former Jewish citizens.

These attempts met only with partial success. The Austrian Government is now paying flat compensation to the needy, elderly and ill who were injured during the period of Nazi rule from a special fund totalling only 550 million schillings (about $21m.)

This was a question that affected not only Israel citizens who came from Austria, but all Jews who formerly resided in Austria, Mr. Ben-Gurion said.

Eilat Gives Big Welcome To Brigitte Toft

EILAT, Monday. — The Brigitte Toft, a Danish freighter coming from Capetown, cast anchor off the Eilat jetty this afternoon. Almost the entire population of Eilat gathered on the shore to welcome the ship.

An Israel Navy L.C.T. met the freighter nearly three miles off shore. The Swedish Minister in Israel, Mr. Osten Lundborg, who also looks after Danish affairs, was among those on the landing.

Captain Hans H. Dolock told reporters he was proud to be the first Danish captain to navigate the Tiran Straits after the Sinai campaign. The Brigitte Toft left Jibuti last Wednesday, meeting several ships on her way. One of them, carrying a name in Arabic characters, asked her to identify herself, but captain Dolock passed the request unnoticed.

The ship arirved at the Tiran Straits yesterday at 5.30 p.m., but the captain decided to wait until 6.30 this morning to pass the narrow waterway. There was not a ship of any kind around, he told reporters.

The Brigitte Toft moored in the open sea, because the jetty is occupied by the Caterina Madre, whose departure was delayed as she awaited a consignment of cement. It is believed that the cement will be loaded tomorrow morning and the unloading of the Brigitte Toft will begin in the afternoon.

Also awaited in the Port are four rafts and two tractors intended to facilitate discharge.

A party for the crew of Brigitte Toft was held at Beit Hahayal here this evening.

Eshkol Confers In Paris on Pipeline

PARIS, Monday. — Finance Minister Levi Eshkol today discussed with Finance Minister Paul Ramadier plans to construct an oil pipeline from Eilat to the Mediterranean. Their talk also dealt with the possibility of French participation in major public construction in Israel, and with increased Franco-Israel trade, it was reported.

Mr. Eshkol, accompanied by Ambassador Ya'acov Tsur, conferred with Mr. Ramadier and other French Government officials. They were later entertained for lunch by M. Ramadier. Mr. Eshkol will confer with Premier Guy Mollet tomorrow, and with Foreign Minister Pineau on Wednesday.

Mr. Eshkol has also had a long series of meetings with French businessmen.

The Israel Finance Minister came to Paris to attend the European and North African Conference on Solidarity with Israel, sponsored by Keren Hayesod. The Conference adjourned early this morning.

SUDAN'S PREMIER DUE IN JORDAN

AMMAN, Monday (Reuter). — The Amman Government is awaiting the visit of the Prime Minister of the Sudan, Abdullah Khalil, who is expected tomorrow for talks on Arab affairs, accompanied by his Foreign Minister, Kvaled Mahgoub. It will be Khalil's first visit to Jordan.

A Jordan military mission left Amman today for a 10-day visit in Athens at the invitation of the Greek Army.

Britain and U.S. Vague On How to Rebuff Nasser

By GEORGE LICHTHEIM, Jerusalem Post Correspondent

LONDON, Monday. — Joint Anglo-American action if Egypt breaks the peace or tries to expel UNEF is understood to have been agreed to in principle at Bermuda, but the exact character of such action does not seem to have been determined.

An informal understanding to let immedaite transatlantic consultation precede any such action has been reached, but there are also suggestions that the Americans have reserved the right to take action alone, though after consulting London.

A British proposal to map out concrete decisions for immediate application if or when the Hammarskjold mission has obviously failed does not seem to have been accepted. Anglo-American policy towards Abdul Nasser is still on a day-to-day basis, with Washington reserving the right to determine what steps to take next if Cairo proves obdurate.

Even the decision to speed tanker development and pipeline construction appears contingent on the outcome of Hammarskjold's mission.

Difficulties Put Aside

In short, the really hard decisions have been deferred. This is in line with the American belief, which was privately put to the British ministers, that there are no effective means of bringing Abdul Nasser to heel in the short run, but that over a longer period his nuisance value can be diminished by developing oil routes alternative to the Suez Canal.

On membership of the Baghdad pact, American comment is noticeably more restrained than the British. The U.S. decision to join the pact's military committee was taken at least a week before the Bermuda talks opened and consequently owes nothing to Mr. Macmillan's persuasive powers, although some newspapers here do their best to create this impression. Full American membership would be contingent on a Senate re-

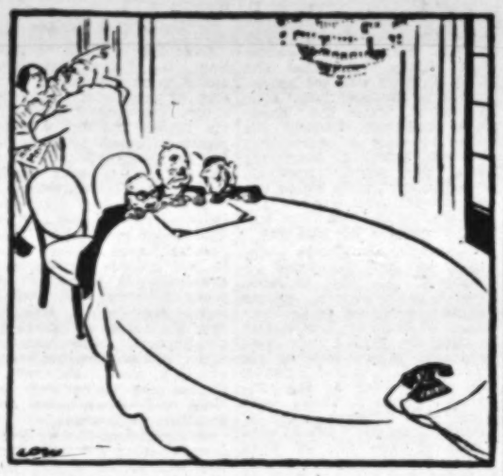
(Continued on Page 2 Col. 4)

Indirect Defence Levy Extended

The Knesset last night passeded the bill extending the indirect levies of the Yahav Magen for an additional year. The bill, which passed its first reading on January 8, also makes some changes in the original law. (The first reading of the bill to extend the Yahav on income was presented to the Knesset last week.)

The bill was opposed by Herut, while the General Zionists abstained.

Nasser Unyielding on All Issues In Third Session with U.N. Chief



ALL READY AT BERMUDA

World Copyright by arrangement with the Manchester Guardian

Mission Viewed as Failure

CAIRO, Monday. — Mr. Dag Hammarskjold met President Nasser for the third time tonight and a U.N. spokesman said the Secretary-General would return to New York before the week-end without visiting Israel.

He is expected to leave Cairo on Wednesday.

(The Jerusalem Post correspondent in New York, Jesse Zel Lurie, quoted Israel circles as denying that Mr. Hammarskjold was not invited to Israel. On the contrary, Foreign Minister Golda Meir had told him he would be received at any time with all the honour due to his office. She pointed out, however, that unless he secures the Egyptian ruler's renunciation of belligerency rights, there would be little to discuss.

(It is obvious that the Secretary-General has received no satisfaction from Abdul Nasser in the matter of belligerency or other questions.)

Informed sources in Cairo said Egypt had held firm on every major issue. They said this emerged through the tight veil of secrecy which surrounds the Hammarskjold mission.

On Egyptian Terms

It appears likely that Egypt will open the Suez Canal on her own terms. Earlier today the Canal was cleared of the last obstacle to major shipping, the sunken tug Edgar Bonnet, leaving the way open for transit of ships up to 30-foot draught and 20,000 tons displacement.

Mr. Hammarskjold made a brief visit to Ismailia earlier in the day to witness the lifting operation. He congratulated General Raymond Wheeler, the U.N. salvage chief, on the work of his teams. Also present at the ceremony was Dr. Ralph Bunche, the U.N. Under-Secretary.

According to present plans, the Canal will be open to all shipping by April 10. Gen. Wheeler said today it could be opened for navigation "at 10 minutes' notice." He was commenting on a statement by the Egyptian Canal Authority that 15 days' notice would be given to shipping companies before the reopening.

The biggest ship to attempt a passage through the Canal since it was blocked last November, the 7,000-ton Egyptian cargo vessel Nichet el Luxor, is due to leave in two days' time, bound for South Africa.

Mr. Hammarskjold last night had an unscheduled meeting with Foreign Minister Mahmoud Fawzi for "clarification" of points raised in his earlier talks with Abdul Nasser and other Egyptian officials. The points discussed were not disclosed in line with Mr. Hammarskjold's policy of "quiet diplomacy."

U.S. Seen Holding Aid as Hostage

WASHINGTON, Monday (INA). — Resumption of economic aid to Israel is being delayed because the State Department has decided to link this issue with Israel's forthcoming "restraint" or "unreasonableness," especially on Suez Canal passage and the Gaza question.

Israel's attitude on these political questions will help determine the speed with which aid is resumed, U.S. officials hinted today.

Preliminary talks on resumption of aid have begun, but results thus far have been disappointing. U.S. officials on a working level have indicated the desire to effect a quick resumption, but they revealed they are as yet without authority to proceed very far, and that such authority seems extremely slow in coming down from the top levels. Authority has not yet been given by Secretary of State Dulles to proceed beyond the superficial stages.

'All Entwined'

An official of the International Cooperation Administration, who asked not to be quoted, said the resumption of aid seemed "all entwined in politics." He indicated that officials handling aid would appreciate some clarification from the powers that make policy.

It could not be determined whether lifting of the passport restrictions is being delayed for similar reasons. It was thought, however, that there is no connection.

Question of Cairo Belligerency Comes First, Israel Insists

Jerusalem Post Diplomatic Correspondent

Israel will at present discuss only the question of Egypt's belligerency with the U.N. Secretary-General, to the exclusion of other minor issues, it was learned yesterday.

This was the reaction in official quarters to persistent reports that Mr. Hammarskjold was pressing Israel to move its troops out of the Nitzana (Auja) zone and to agree to the stationing of U.N. troops along the Israel side of the Gaza Strip border.

It was pointed out that Israel has not yet had a reply from Mr. Hammarskjold to its question as to whether Egypt is ready to abandon its publicly stated policy of belligerency. The question was posed four months ago and repeated on various occasions in view of Egypt's continuous disregard of the U.N. Charter, U.N. resolutions and international law.

No Reply

Until recently the Secretary-General's position was that he could not put the question of belligerency before Abdul Nasser as long as Israel remained in Egyptian territory. When Israel withdrew three weeks ago, Foreign Minister Golda Meir asked Mr. Hammarskjold to ascertain whether Egypt was now ready to disavow publicly her belligerency. Until yesterday no word had been received.

Instead, various reports have been circulated from Cairo on the deployment of the U.N. Emergency Force along the Israel side of the border and on other possible tasks for these troops.

The official view in Jerusalem is that these reports are designed to confuse the main issue: Egypt's insistence on belligerency. This is at the root of the tension in the area, and in the Israel view must be given top priority.

Reports in yesterday's afternoon Press to the effect that a cable had been sent by Mr. Hammarskjold to Israel concerning the Nitzana area and the stationing of U.N. troops on this side of the border were denied by the Foreign Ministry spokesman last night. So far there has been no contact on these questions, though the possibility exists that they may be made.

Baghdad Pact

Interest was shown yesterday in the fact that the U.S. announced at Bermuda its intention to join the military committee of the Baghdad Pact.

Coming at a time when Ambassador James Richards is on a tour of Middle East countries to "sell" the Eisenhower Doctrine, the announcement would appear to indicate that the U.S. has decided on a showdown with Abdul Nasser. The Egyptian dictator now faces a dilemma. If he refuses to accept the Doctrine, he is threatened with political isolation. If he accepts, his pan-Arab dreams are ruined.

On the question of Israel's right to send ships through the Suez Canal, the official position has not been changed. This can be stated briefly: Israel has the right to free navigation and will implement this right.

Commons Query Stand on Israel

LONDON, Monday. — Answering questions on the floor of the Commons today, Commander Allan Noble, Minister of State for Foreign Affairs, stated that his Government's position on the rights of Israel shipping in the Suez Canal was made "quite clear" in the communique issued in Bermuda by President Eisenhower and Prime Minister Macmillan yesterday.

The Bermuda communique had referred to compliance with the Security Council resolution of October 13 and its "six principles" regarding the Suez Canal, which called for free and open transit for ships of all nations without discrimination.

Labour M.P. Emanuel Shinwell had asked whether the opening of the Canal includes Israel shipping, "and if not what is the Government going to do about it?" In his reply, Commander Noble asked the House to wait for the Hammarskjold report.

Refers to U.N.

To the request of a Conservative member, Mr. H.R. Gower, for a statement on the importance of the Canal being open to all, including Israel, he stated that he was trying to emphasize this by pointing to the Security Council's "six principles."

The Minister would not say whether British ships would pay tolls to Egypt or whether the ships would be able to use the Canal on terms acceptable to the British Government, despite a barrage of questions from members of his own party as well as the opposition.

Commander Noble's reluctance to give a clear reply drew cries of "Answer, answer" from the opposition benches.

The Minister stated that the question of instructions to British ship-owners was "still under consideration."

Mixed Paris Reaction To Bermuda Talks

PARIS, Monday (Reuter). — The Foreign Ministry spokesman today welcomed the results of the Bermuda conference, but in private government officials said they found the decisions on the Middle East and the future of the Suez Canal too vague.

There was also criticism that the British Government was overemphasizing its association with the U.S. instead of moving closer to France and the continent of Europe.

Dag Said Waiting For Israel Reply

NEW YORK, Monday (INA). — "The New York Times" Cairo correspondent reported today that the U.N. Secretary-General's attempts to obtain a new status for UNEF has reached a stalemate.

Unless both Egypt and Israel make important concessions, UNEF may be disbanded shortly, the report said, adding that the U.N. Secretary-General, Mr. Hammarskjold, is believed to be awaiting consent from Israel to deploy part of UNEF on Israel's side of the Armistice lines.

Israel refusal to accommodate UNEF would bring to a standstill the Secretary-General's efforts to attain the next step towards peace — getting Egypt to issue a statement of non-belligerency, according to the dispatch. Only if Egypt can maintain that she is technically at war with Israel can she legally ban Israel shipping from the Suez Canal and probably from the Gulf of Akaba.

The paper's Washington correspondent reported that some Western diplomats believe the Secretary-General's handling of Israel's question to Egypt may have a decisive effect on his future relations with Israel. Israel has grown increasingly critical of the Secretary-General as a diplomat, taxing him not so much with bias as with naivete.

Israel's relations with the U.S. also appear to be entering a critical phase as Israelis watch for signs of efforts by the U.S. to implement its "moral commitments" to Israelis, the papers ments." There is a feeling said, that the assurances that they had heard from President Eisenhower and Secretary of State Dulles were not always reflected in the acts of officials at working level whose task it was to implement policy.

Herriot Reported Sinking Rapidly

LYONS, Monday (Reuter). — The condition of M. Edouard Herriot, French elder statesman and Mayor of Lyons, was reported by his three doctors today to be "rapidly deteriorating."

M. Herriot, who is 84, is in hospital in Lyons with a chest complaint.

Meir Taking Part In Radio News Conference

LONDON, Monday (Reuter). — The British Broadcasting Corporation announced tonight that the Israel Foreign Minister, Mrs. Golda Meir, has agreed to take part in an international radio press conference on Thursday.

From a studio in Tel Aviv, Mrs. Meir will be questioned on her country's foreign policy and Middle East issues generally by journalists speaking from the U.S., Canada, Sweden, France and Britain.

Canadian Leaders Arrive in Bermuda

KINDLEY FIELD, Bermuda, Monday (UP). — The Canadian Prime Minister, Mr. Louis St. Laurent, and two of his Cabinet Ministers arrived today for a conference with British leaders and said that trade was one of the most vital subjects which brought them here.

Mr. St. Laurent was accompanied by External Affairs Minister Lester Pearson, Trade Minister C. D. Howe, and a group of aides.

They will confer with the British Prime Minister, Mr. Harold Macmillan, and Foreign Secretary Selwyn Lloyd until Wednesday.

The Canadians also expected to be filled in fully on the discussions last week between Mr. Macmillan and President Eisenhower.

Mr. St. Laurent is understood to be anxious to receive a full briefing on the decisions on the Suez Canal problem. He is reported to be unwilling to see the dispute over the Gaza Strip referred to the U.N. Assembly if the Hammarskjold mission fails without a specific proposal backed by the U.S. and Britain calling for action to implement U.N. resolutions.

Canada's position is believed to be that if UNEF is confined to mere patrol of the Gaza borders she will withdraw her own contingent from it.

FRENCH MANOEUVRES

TOULON, Monday (Reuter). — The French Mediterranean fleet sailed from Toulon today for spring exercises off the Algerian coast. The exercises will end April 6.

General Zionist Party
REFORM MOVEMENT

A meeting of members and sympathizers will take place tomorrow, March 27, at 8.30 p.m. at the Party Clubroom, 33 King George St., Tel Aviv, on the subject:

"REFORM IN THE PARTY"

Speakers: Mr. David Dunsky
Mr. Baruch Weinstein

The Public is invited!

Social & Personal

The Foreign Minister, Mrs. Golda Meir, gave a luncheon yesterday in honour of Mr. and Mrs. Erich Ollenhauer, leader of the West German Social Democratic Party. The other guests were Mr. Heinz Putzrat, the Minister of Justice and Mrs. Pinhas Rosen; the Minister without Portfolio, Mr. Peretz Naphtali; the Mayor of Jerusalem and Mrs. Gershon Agron; Dr. and Mrs. Yigael Yadin; Mr. Walter Eytan; Dr. and Mrs. Leo Kohn; and Mr. and Mrs. Emile Najar.

*

Mr. Dragoje Djuric, the Yugoslav Minister to Israel, yesterday met with the head of the Histadrut Political Department, Mr. R. Barkatt, and discussed future relations between the labour movements in Yugoslavia and Israel. Mr. Djuric later visited the Rosh Ha'ayin water works, the Kaplan hospital in Rehovot, and the Ramle cement plant.

*

Mr. and Mrs. Moshe Kol gave a reception on Sunday at Beit Shalom, Jerusalem, in honour of Mrs. William Riven, National President of Canadian Hadassah, and the Canadian Hadassah (WIZO) delegation. They were the guests of honour at a Hebrew University luncheon on Sunday.

*

Mr. Nissan Ruda was recently elected Chairman of the Jerusalem Landlords Association. Dr. Moshe Neuman and Mr. Yitzhak Sasson were elected Deputy Chairmen.

*

The Safad Rotary Club at its annual meeting last week elected Mr. Y. M. Wideberg as its President; Mr. I.D. Miloslovsky, Vice-President; Mr. Y. Avi-Nathan, Secretary; and Mr. Y. Eisenberg, Treasurer.

*

The Mizrahi Women's Organization of America takes pleasure in announcing that the annual exhibition of the Esther and David Shapiro Vocational High School (Beit Zeirot Mizrahi), 60 Rehov Rashi, Jerusalem, will open at the school, today, March 26, at 4 p.m., and will remain open until Thursday noon. The public is invited.

PROF. ADLER HONOURED BY WEIZMANN INSTITUTE

REHOVOT, Monday. — Professor and Mrs. Saul Adler were the guests of honour at a luncheon given in the San Martin House here today by the Executive Council and Scientific Committee of the Weizmann Institute of Science to mark Dr. Adler's election as a Fellow of the Royal Society.

Mr. Meyer W. Weisgal, Chairman of the Executive Council, was in the chair, and the other speakers were Mrs. Chaim Weizmann, Prof. Isaac Berenblum, and Prof. Aharon Katzir. Dr. Adler responded. Members of the scientific and administrative staffs attended.

Greek Congregants Pray for Makarios

"Long Live the Cypriot Patriots and Makarios" was the slogan chanted in services and Te-Deums throughout the country yesterday morning in celebration of the 136th anniversary of Greek Independence.

In Jerusalem, a Te-Deum was conducted by Archimandrite Ignatius, head of St. Simeon's church in Katamon, and attended by prominent members of the Greek community, Government and U.N. officials, and the Greek Vice-Consul, Mr. E. Mitsopoulos. A reception followed at the Greek Consulate, where children in Greek national costume danced native folk-dances.

In Jaffa, a solemn service was conducted by Archbishop Isidoros, Metropolitan of Nazareth and Exarch of All Galilee; it was attended by the Greek Consul, Mr. M. Linakis, and members of the Greek community there.

(C.E.)

Cinemas

JERUSALEM

At 3.30, 6.30 and 8.30 p.m.

ARNON: Written on the Wind, 3rd week.
EDEN: A Kid for Two Farthings.
EDISON: Baby Doll, 2nd week.
ORGIL: "Bandido".
ORION: You Can't Run Away from It.
ORNA: Teenage Rebel.
RON: Your Devoted Blake, 2nd week.
STUDIO: The Browning Version, 4th week.
* **TEL ON:** The Big Combo.
ZION HALL: The Adventures of Giacomo Casanova.

TEL AVIV

At 3.30, 7.15 and 9.15 p.m.

ALLENBY: Sincerely Yours, 2nd week.
ARMON DAVID: Ft...fft. Matinees: Little Red Riding Hood.
CHEN: "Folies Bergeres," 3rd week.
EDEN: Shree 420, 13th week.
ESTHER: I'll Cry Tomorrow, 5th week.
MIGDALOR: 20,000 Leagues under the Sea, 3rd week.
MOGRABI: The Shrike.
ORION: I Died a Thousand Times, 2nd week.
OPHIR: Oklahoma, 3rd week.
SHDEROTH: The Seven-Year Itch.
TAMAR: Rock, Rock, Rock. Matinees; continuous show from 9.45 a.m.
TCHELET: Casanova's Big Night, 2nd week.
YARON: "La Strada," 6th week.
ZAFON: Richard III.
ZAMIR: "Doane Proibito," 5th week.

HAIFA

AMPHITHEATRE: Between Heaven and Hell.
ARMON: "L'Homme et L'Enfant."
ATZMON: Bad Day at Black Rock.
EN DOR: State Secret.
GAL OR: Make Haste to Live, 2nd week. Matinees: Frogmen.
MAY: The Desperate Hours.
MORIAH: Young at Heart.
ORAH: Autumn Leaves.
ORION: Storm Fear.
ORLY: Obsession.
PEER: My Teenage Daughter.

LAW REPORT

The Jerusalem Post March 26, 1957

In the Supreme Court Sitting as Court Of Civil Appeal

Before Justices Sussman, Landau and Witkon.

Yitzhak Shor v. Tel Aviv Assessing Officer (C.A.137/56)

Income Tax Payable On Contractor's Profits From Sale of Plot

The Supreme Court dismissed an appeal against a judgment by the Tel Aviv District Court delivered on April 17, 1956 (I.T.C. 128-122/56).

The appellant, Yitzhak Shor, a building contractor, had bought two plots of land in 1950 with the intention of building flats on them and then selling the flats. He claimed that this was the only occasion on which he bought plots himself, having been accustomed previously to build only at the request of owners of plots of land. His plans did not materialise and in 1952 he sold the plots at a profit. The Income Tax Assessing Officer decided that this profit was taxable, despite Mr. Shor's protests that the transaction had been an isolated one and not connected with his usual trade of contracting, that he had merely sold assets thereby receiving an accrual to capital but had not earned profit assessable to income tax.

Tel Aviv District Court Judge Zeltner confirmed the decision of the Assessing Officer.

In the appeal to the Supreme Court, Mr. Gizelter and Mr. Prokazit appeared for the appellant and Dr. Stein, Deputy State Attorney, for the respondent.

Judgment

Justice Witkon, who delivered the judgment of the Supreme Court, said that the appellant had not claimed that he had bought the land as a private investment unconnected with his business. If he had, then there would have been room for doubt, as to whether the transaction had been an adventure in the nature of trade.

But even if the transaction had not been a private investment to start off with, it might be argued that it had become one after the appellant had stopped acting as a contractor in 1952 (he had claimed that he had then temporarily ceased the pursuit of his normal trade because of "licence" difficulties and had only recommenced in 1954), and that his position was then equivalent to that of the appellant in Bradshaw v. Blunden (1956, 36 T.C.397), also a building contractor, who had sold all his plots of land after dissolving his business. In this latter case, the English court had held that the contractor had realized the capital invested in his business and had not made a profit from the sales.

But, Justice Witkon continued, in the present case the appellant had not liquidated his business. He had merely ceased to operate as a contractor for a short period. The assets of a business, and particularly those which serve as the stock in trade of the business, do not adopt the cloak of private investments each time the business is temporarily suspended. The Assessing Officer had been correct, therefore, in holding that the sale of the plots had been an inseparable part of the appellant's business transactions during the time he was a contractor and not the realization of a private investment.

The next question to be considered, Justice Witkon said, is whether the profit on the sale of the plots was capital profit or revenue. There are two instances, he pointed out, in which the sale of assets—even of the nature of stock in trade—may bring in capital profit instead of revenue: first, where the assets are acquired for the establishment of a business, and which are sold when the matter does not materialize (Tebrau Rubber Syndicate v. Farmer, 1910 S.C. 906); and, secondly, when a business is liquidated with the consequent sale of all assets including stock in trade (Californian Copper Syndicate v. Harris, 1904, 5 T.C. 159). Judge Zeltner had rightly held that the first instance was not appropriate to the case under consideration since the appellant had not dropped his plan to start a contracting business before its inception; and the second instance, which more nearly suited the appellant's case, was not applicable as the appellant had not liquidated his business.

As to the appellant's claim that he had liquidated a "branch" of his business, this was untenable, Justice Witkon continued, as the business of building contracting cannot be divided into two separate parts—building for owners of plots and building on plots owned by the contractor himself. These were just two different ways of carrying on the trade of contracting. The sale of plots of land acquired by the contractor for the purposes of his business is equivalent to the sale of surplus building materials acquired by him, which latter would be regarded as part of the ordinary pursuit of his trade.

Furthermore, Justice Witkon continued, if there had been any room for doubt as to whether the sale of the plots was an isolated transaction or whether it was an integral part of the appellant's trade, any remaining doubts would be dispelled by the fact that he, himself, had admitted that if he had built on them and sold the flats he would have included their price in his calculations of revenue, which indicated that the plots were really part of his stock in trade and incidental to the working of his profit-making machine (see Van den Bergha v. Clark, 1935, A.C. 431). And no precedents had been produced in which the profits from the sale of stock in trade (not as part of the process of liquidation of a business) had been held to be capital, as opposed to revenue, profits and thus not assessable to income tax.

In short, Justice Witkon held, the case under consideration came into the category of those characterized by Imperial Tobacco Co. v. Kelly (1943, 2 A.E.L.R. 119) in which goods had been bought for the ordinary pursuit and purposes of a business but had not been used as planned, for unforeseeable reasons.

The English Court of Appeal had held that the price obtained from the voluntary sale of such goods would ordinarily have been included in calculating the revenue of the business, and the fact that they were sold merely because of the non-materialization of the original plan for their use, did not change the situation. The profit would still be regarded as income and not as capital. In the present case, therefore, the District Court had been correct in holding that profits from such a sale were assessable to income tax.

Appeal dismissed with IL. 100 costs.

Judgment given on March 20, 1957.

Where to go

JERUSALEM

* **Exhibitions:** — Permanent exhibition at the Department of Antiquities, 25 Rehov Shlomo Hamelekh. New rooms: Prehistory and Israelite period. Educational exhibit: How to arrange small local collections. Special exhibits. New finds from the excavations Neser and Ein Mallaha, 9-1, 3-6.

Conquest of the Desert, Permanent Exhibition. Daily from 10-1, 4-6. On Friday from 10-1 only, closed on Saturday.

1) Purim Exhibition. 2) Paintings and Graphic Works by Max Liebermann, Yosef Israels and Isaac Levithan. 3) Selected Acquisitions, 1946-1956. Exhibit of the month. Candelabrum from a Synagogue in Kfar Hanania, Bronze, III-IVth c. C.E. Loan by Courtesy of the Mariemont Museum, (Belgium). Bezalel, 9-1, 2-5.

1) Oil Paintings by Avigdor Luisada. 2) Oil Paintings by Anatol Gurevitz. 2) Applied Arts and Crafts, Artists' House, 10-1, 4-6.

* **Lectures:** — Mr. I. Harari, M.K., member of Israel's U.N. delegation, "Israel as a Test for the U.N." Rothschild School hall, Rehov Ussishkin, 8.15 p.m.

Dr. A. Neumann, on "The Eye" to members of Magen David Adom first aid course, M.D.A. lecture hall, 7.30 p.m.

* **Film:** — "Adorable Creatures," two showings. Centre de Culture Francaise, 3 Ben-Yehuda, 5 p.m. (250 pruta) and 8.45 p.m. (300 pruta).

* **Tours:** — Hebrew University Conducted Tour, 10 a.m. Administration Bldg., New University Campus. (Conducted tours in Hebrew Sundays and Thursdays, 11 a.m.).

TEL AVIV

Italian Specialities Lunch, Dinner, Soupe a l'oignon, Luky's Bar, 3 Allenby Rd., Tel. 22782.

* **Exhibitions:** — Watercolours by Ignaz-Itzhak Reicher, Chemerinsky Art Gallery, 26 Rehov Gordon, 10-1, 4-8.

Tel Aviv Museum Annual Exhibition of "Israel Painters and Sculptors," 10-1, 4-7.

* **Theatre:** — Habimah, "Anna Frank," 8. Cameri, "No Time for Sergeants," Mograbi, 8. "Yerma," New Hall, 8.

HAIFA

* **Exhibitions:** — 1) Drawings by Mane Katz to the poem of Isaac Katznelson. 2) Modern Dutch prints. Fortnightly exhibit: "Yarkon Landscape" — water colour by Yosef Kossonogi. Museums, Town Hall, 10-1, 5-7.

RAMAT GAN

* **Theatre:** — Polish Humorist and Satirical Theatrical Group, "Wagabunda," Rama, 8.30.

RAMATAYIM

* **Theatre:** — Ohel, "5-8."

AFULE

* **Theatre:** — Habimah, "Anna Christie," 8.

BEER-SHEBA

* **Theatre:** — Habimah, "Black on White," 8.

REHOVOT

* **Theatre:** — Cameri, Shakespeare Evening, 8.

BRITAIN

(Continued from Page One)

solution which the British delegates were told cannot be obtained unless parallel guarantees are given to Israel. Rather than do that, the State Department apparently prefers to stay outside the formal pact structure.

Nevertheless, the British hope that informal American membership will gradually lead the Administration to underwrite the more specific commitments of the pact and thus confront Egypt and Saudi Arabia with firm American backing for the rival Middle Eastern framework. On this point the Americans were noticeably more cautious, although Mr. Dulles is said to have come to share almost all the British views on Abdul Nasser's character and intentions.

Turkish Pipeline

Over the building of pipelines, the British delegation seems to have found no criticism of its view that the chief future development should be via Turkey and that a major pipeline through Israel would not be practicable in view of the certainty of Arab opposition to such transhipments.

The Middle East dominated the conference to such an extent that even the future dovetailing of American and British defence structures is overshadowed in today's reports and comments. There is some speculation, however, over the degree of British dependence on American aid which this scheme involves. It probably means the end of the manned bomber and, possibly, of Britain's rocket construction programme.

One criticism already heard here is that in exchange, America will merely supply missiles for safe keeping by the American forces in Britain; these cannot be used without American agreement. These restrictions are not likely to prove popular with the Service chiefs and their friends in Parliament.

Altogether the welcome given here to the Bermuda conference is somewhat tepid.

Israel Vessels for Regular Eilat-East Africa Service

Jerusalem Post Reporter

A regular freight service between Eilat and East Africa employing ships flying the Israel flag will be inaugurated early this summer, probably in June, it is learned from Ministry of Commerce and Industry sources.

In addition to the two small chartered vessels working on the Eilat-Massawa-Jibuti run — the Katerina Madre and Pandokrator — a 4,500 ton Israel ship is expected shortly to begin sailing the 1,000 mile route. As trade develops, it is hoped to establish regular freight and passenger services to South and West Africa as well.

The closure of the Suez Canal brought considerable revenue to Israel in the way of increased exports. Cement, for example sold for $9 a ton F.o.B. Haifa, while F.o.B. Eilat it fetched $24 a ton. In normal times, however, owing to the high overland transport costs inside Israel, only commodities in which bulk and weight are not important factors may be profitably shipped to Africa south of Jibuti. North of this point, shipping costs are in Israel's favour.

Trial Shipments

Meanwhile, the Ministry has received a favourable appraisal of trade possibilities with East Africa in a report submitted by Dr. Y. Roman, a Ministry representative who just returned from a three-month study of markets in Ethiopia and British East Africa. Dr. Roman also closed several deals for trial shipments of chemicals, textiles, replacement parts, food products and pharmaceuticals to Ethiopia.

In its analysis of the East African markets, the report stresses that Ethiopia, although an "open" market, is chiefly interested in cheap goods — both in quality and price. In return, she can sell to Israel oil seeds, tinned meats and fish meal.

British East Africa (Kenya, Uganda, Tanganyika), on the other hand, could become a good customer for higher quality Israel manufactured goods, including building materials, textiles, tires, chemicals, fertilizers, plastics and food products, the report said. Even fresh fruits and vegetables could be profitably exported if refrigerated shipping were arranged.

Israel purchases from the British colonies would be mostly coffee, sisal, timber, oil seeds, maize, minerals and chemicals, the report states.

Further information for exporters may be obtained from Dr. Ronan at his office in Beit Halay, Jaffa.

22 Soviet Divisions Said in E. Germany

BONN, Monday (UP). — The Soviet Union has 22 divisions totalling 400,000 men equipped with 7,500 tanks in East Germany, Defence Minister Franz Josef Strauss announced last week.

At the Cinema

WHAT Christian Jacques is to French romantic cinema, Eddy Constantine is to its thriller. "L'Homme et l'Enfant" (Armon, Haifa) depicts kidnapping, white slave traffic and drug peddling at Nice and Monaco, shown in colour to enhance luxury houses, yachts, latest model cars, and dresses, while even the use of a Police helicopter seems not so much to demonstrate modern crime detection as to give the Police a share in the comforts of mid-20th century civilization.

You have everything except that tension through which Hollywood imparts temporary doubt to the most assured of happy endings. In "L'Homme et l'Enfant" you rather wait to see what adventure will next befall the hero in his search to discover his adopted daughter and unmask a criminal band, further spice to a glamour adorned by a haunting theme song—all, so to speak, viewed from a very comfortable armchair.

H.

Adenauer in Rome On Way to Persia

ROME, Monday (Reuter). — The West German Chancellor Konrad Adenauer arrived here today on his way to Teheran for his first visit to Persia. He is accompanied by Professor Walter Hallstein, Secretary of State in the Foreign Ministry.

His first official act in Rome will be to sign the six-nation European Common Market and Euratom treaties on cooperation in the economic and atomic energy fields. Tomorrow he is to be received in private audience by the Pope.

Before flying on to Teheran on Thursday, he is also expected to meet representatives of other governments signing the treaties, to discuss other aspects of European integration.

His is the latest in a series of visits to Middle Eastern and Asian countries by West German Cabinet Ministers, trade and banking delegations, and private businessmen. These reflect the growing interest West Germany is taking in establishing closer political and economic relations with these nations.

Nearly half Adenauer's time in Persia will be taken up with sightseeing trips to archaeological sites, castles and mosques. But he will also have talks with the Prime Minister General Zahedi and with the Foreign Minister.

Among the subjects Dr. Adenauer expects to discuss with them are the Eisenhower Doctrine, Persia's key position with reference to Communist efforts to penetrate the Middle East, and possible West German support for Persian social and economic progress.

On his way home, the Chancellor will probably land at Istanbul to have brief talks with Turkish Government leaders. He is expected back in West Germany on April 2.

BONN CONSCRIPTS ENLIST NEXT WEEK

BONN, Monday (Reuter). — Ten thousand youths of 19 will report for duty on April 1, as the new West Germany army's first conscripts.

The men will arrive at barracks all over the country for their 12 months' service and exchange their civilian clothes for field dress and jackboots reminiscent of the former Wehrmacht.

The training is intended to produce fighting units.

The Defence Minister, Franz Josef Strauss, wants a highly-trained, well-equipped mobile defence force to place at the disposal of the North Atlantic Treaty Organization, not a parade ground army of drill sergeants.

MISSIONS. — The Syrian Government is considering a plan to nationalize foreign and missionary schools throughout the country, the Arab News Agency reported from Damascus yesterday.

Population Grows Daily As Haifa Port Is Kept Busy

By YA'ACOV ARDON, Jerusalem Post Reporter

HAIFA, Monday. — Israel's population is growing fast, and you can see it grow in Haifa Port almost every day of the week.

The surplus of births over deaths nowadays adds over 750 new citizens to the 1,800,000 every seven days, but immigration brings in about twice as many, and it looks as if the 2:1 ratio will continue for the rest of the year.

This morning, the s.s. Artza arrived with no other passengers than new citizens — from Egypt and other countries, even one from Soviet Russia and one from Rumania, 535 altogether.

In the evening, the Greek steamer Hermes arrived with almost 300 immigrants, mainly from Egypt. They will disembark early tomorrow morning.

Painful Adjustments

Like birth, immigration is a painful process. For most men and women, but especially for the children, it is a bewildering experience, and the tense, serious faces show it. The abandonment of settled homes, sometimes forcible as in the case of Abdul Nasser's victims, or amid flight and danger as in the case of many who stole across the Austro-Hungarian border with pounding hearts, leaves deep furrows on the minds and even on the faces of the migrants.

On top of that comes the stress and uncertainty of building up a new life on unfamiliar ground, studying what is for most a new language, and learning to make a living in new occupations. It is a tribute to the endurance and resilience of the Jewish character that the overwhelming number of the newcomers conduct themselves with patience, sense and even dignity.

Public Help

They are introduced to the open-door and open-arms policy of the State in the registration queue where seven Jewish Agency Reception Department officials "process" them, starting off by giving each family IL2 pocket money per head, irrespective of age. They are listed, issued with papers, assigned to places of settlement and given refreshments, among them the first Jaffa oranges.

Then they pass the routine scrutiny of the Customs, and finally emerge to board the trucks that take them to where they are to strike root, aided by Jewish Agency help, equipment, advice and encouragement — more than any other country taking in mass immigration gives to newcomers.

Today's arrivals were distributed among Dimona and Beersheba, Migdal Ashkelon and Yavneh, Bat Yam and Lydda. They included professionals and men without skills, intellectuals and plain folks, old couples and the newly-wed.

From Budapest came Mr. Jenoe Vandor, a cantor who speaks fluent Hebrew, and his wife Viola, a chemical engineer who has worked for 23 years in a leading pharmaceutical plant.

As they were telling their story to the press, a young man came up and fell on Mrs. Vandor's neck. After they all wiped their eyes and regained their tongues, they explained that he was the only survivor of Mrs. Vandor's family.

The scene passed almost unnoticed. It happens every day. When deep emotions are stirred too often, nobody is curious any longer.

REPORTERS. — Fifty American journalists are expected in Cairo tomorrow for a two-week visit on the invitation of the Egyptian Tourist Department and the Arab League Secretariat, the Arab News Agency has reported.

Young Energetic Man

just completed army service, knows languages, has own jeep, also truck licence, **Seeks Suitable Position**

Write: No. 3563, P.O.B. 1125, Tel Aviv.

Bad Weather

Very often causes a shortage of vegetables. However, you need not depend on the supply of fresh vegetables, serve Vita's delicious new Vegetable Soup, made from choice garden vegetables and rich in vitamins. Ready to serve, with almost no work, in 20 minutes. If you prefer vegetable soup with a distinctive meat taste, just add a little of Vita's Meat Soup. And for a change in your menu, serve Vita's good Pea Soup with Smoked Meat, a real hit with the whole family.

Wanted to buy
2-2½ room
FLAT
in Tel Aviv, Rothschild-Z.O.A. House, Disengoff vicinity preferred. Ground or first floor. Please write: No. 10, P.O.B. 1125, Tel Aviv.

Anyone wishing to present claims against
Max Miller Co. Ltd.
or the Palatin Hotel, New Commercial Centre, 9 Bank Street, Haifa should apply to the offices of Messrs. S. Kitai and G. Shamir, Lawyers, P.O.B. 4104, Haifa, within 30 days of publication of this notice. Claims will not be considered after this period.

Small Flat Wanted
3 or 4 rooms
completely furnished, must be vacant before April 1. Please write: No. 2616, P.O.B. 81, Jerusalem.

Independent, First-Class Secretary-Correspondent perfect knowledge of English, German, French, shorthand, typing, bookkeeping, fair Hebrew and Italian, many years experience in Europe and Israel, best references. **Wishes to change position.** Interesting administrative job in Haifa preferred. Please write to: No. 3568, P.O.B. 1125, Tel Aviv, stating details.

Required
for DUTY FREE SHOP
Exit Hall — LOD Airport
Experienced Saleslady
knowledge of HEBREW, FRENCH, ENGLISH indispensable
Only candidates with first class references may apply by letter, in own handwriting, to:
REMETAM Ltd., P.O.B. 262, Tel Aviv.

ON THE AIR

FIRST PROGRAMME

522, 349, 33.3 & 49.9 M.

News, Hebrew: 6.30, 7.00 a.m. 1.30, 5.00, 7.00, 9.00, 11.00 p.m. **English News:** 1.45 p.m. **French:** 2.00 p.m. **Arabic Programme** (including News), 8.00 a.m. 2.15 and 6.00 p.m.

6.30 a.m. Service. 6.37 Exercises. 6.47 Musical Clock (R). 7.15 Melodies (R). 9.00 Close Down.

12.00 Music at Noon — Charles Trenet (Vocalist). 12.30 Music for Two Pianos, played by Arthur Cold and Robert Fisdale. Works by Milhaud and Paul Bowels. 12.50 Housewife's Choice. 3.30 Close Down.

4.00 Light Music requests. 4.40 Vocal Recital by Efraim Biran (Wachtenberg) — Baritone: Handel, Haydn, Mozart and Verdi. 5.05 Light Music. 5.10 Tora Lesson by Dr. N. Lelbowitz. 5.30 Youth Corner. 7.15 We Present Tonight. 7.18 "Ron Ami." 7.45 "Looking Down from the Carmel." 8.10 Noah's Ark. 8.55 Bible Reading — Yeshayahu — Chap. 3 and 4. 9.15 Concert by the Kol Yisrael Orchestra, Conductor, Heinz Freudenthal. Soloist: Richard Backst (Piano). Schubert: Symphony No. 5 in B-minor ("Unfinished"). Chopin: Piano Concerto No. 2 in F-minor, op. 21. 10.45 The Week in U.N. 12.00 Close Down.

SECOND PROGRAMME

427, 400, 225, 48.9 & 33.3 M.

English News: 10.00 p.m.

IMMIGRANT'S HOUR: 1.45 "From Dan to Eilat." 2.15 Close Down.

5.30 Programme for Yemenites. 5.45 Hebrew Lesson for beginners. 6.00 Light Music. 7.00 Yiddish. 7.30 Ladino. 8.00 News in Easy Hebrew. 8.15 Turkish. 8.30 Rumanian. 8.45 Hungarian. 9.00 Interval. 9.30 French. 10.30 Close Down.

KOL ZION LAGOLA (31.2 M.): **Programme to South Africa.** 6.30 News. 6.45 "South Africans in Israel." 7.00 Jan Pearce—Tenor. 7.08 News in Yiddish.

Programme to U.K.: 11.30 News. 11.45 Jan Pearce—Tenor. 12.00 Easy Hebrew conversation. 12.15 Jewish Teaching about God.

ARMY PROGRAMME (44.6, 216, 225 & 238 M.): 6.00 Opening. 6.02 Songs. 6.30 "Musical Key." 7.00 News. 7.10 "Evening Star." 7.30 "I have a query." 8.00 "The Soldier as a Civilian." 8.10 Noah's Ark. 8.55 Interlude. 9.00 News. 9.15 Evening Tunes. 10.00 Close Down.

B. B. C. HEBREW BROADCASTS: (16.79, 19.42, 16.96 and 21.15 M.): 6.30-7.00 p.m. News. News Talk. Jewish Commentary. The Edinburgh Festival.

Yesterday's Press

Nasser Must Give Answer

The two main points of interest in yesterday's press comment are the Anglo-American Bermuda statement and Mr. Hammarskjold's failure to prevail upon Nasser to renounce his attitude of belligerency against Israel. Admitting that it will be more difficult than it ever was before to force the issue on the second point, **Haboker** (General Zionist) claims that we must insist on a clear and unambiguous answer from the Egyptian dictator since all else stems from his exercise of "the right of belligerency."

Al Hamishmar (Mapam) finds it unlikely that Mr. Hammarskjold will leave the Egyptian capital a disappointed man or even admit the failure of his talks with Nasser, whose attitude towards Israel remains unbending. Mr. Hammarskjold is offering the dictator both his due under the Armistice Agreement and "rights" as a belligerent. Israel, however, cannot put up with this and has no choice but once again to bring the matter before the U.N. Assembly.

Hatzofe (World Mizrahi) asks whether, in the face of Nasser's refusal to end the state of war with Israel in addition to his designs to truncate our territory, the U.S. intends to check his aggressive designs by exerting upon him at least as much pressure as it exerted upon Israel or whether it will force us to fall back upon our own resources.

Davar (Histadrut) finds it quite possible that political practice will take priority over diplomatic formulations, but for the time being we have heard no authentic voice from the U.N. or the West — barring France — informing the dictator in unambiguous fashion that the claim of belligerency rights of one U.N. member against another is a clear violation of the Charter and that the penalty for such an infringement is excommunication and full protection for the aggrieved party.

No New Formula

The very carefully formulated statement on the Bermuda talks, opines **Herut**, does not show that the two Anglo-Saxon powers have discovered a new political formula for our region. The basic difference between last year's Eisenhower-Faure-Eden talks and this conference is that last year Britain still had a foothold in the Middle East while today she must toe the line and follow uninformed State Department policy even though she is aware of its uselessness.

America's joining the military end of the Baghdad Pact adds nothing new to the situation and the Bermuda Conference has only confirmed once more the fact that the U.S. persists in the policy followed by Dulles for the past four years with the result that the Soviets have penetrated deeper and deeper and Western Europe has been thrown to the mercies of the Communist puppets in Cairo and Soviet technicians in the Middle East.

Lamerhav (Ahdut Ha'avoda) points out in addition that the facile agreement at Bermuda bodes no good for Israel: America's joining the Baghdad military set-up will only tend to increase the general restiveness in the Middle East since, as far as Israel is concerned, the Baghdad bloc has no lesser evil designs against her than has the Egyptian bloc.

TZAVTA CLUB — Tel Aviv, 214 Dizengoff Rd.

Gilles Martinet *(Editor-in-Chief of Paris "France Observateur")* will lecture (in French) on **FRANCE-ISRAEL RELATIONS** tomorrow, March 27, at 8.30 p.m.

Is there greater agony than a mother's suspicion of the
BAD SEED
in her child's blood?

TIVON
Enjoy your rest
Choose the best
BAUCHWITZ
6 Rehov Shoshanim
Tel. 282, 220.

100 HOURS TO SUEZ

Author *Robert Henriques* takes you over the battlefield with the commanders, gives you the origins of the Sinai campaign, both political and military, adds his own informed comments to produce a book as fast paced as the victory that inspired it.

This book is available to all readers of

THE JERUSALEM POST

for IL3.400
(regular price IL5.400)

TO GET YOUR COPY
Fill in the coupon, enclose IL1. as down payment for registration, and send or bring it to any of the offices of THE JERUSALEM POST.
JERUSALEM: 9 Rehov Havatselet
TEL AVIV: 32 Rehov Nahlat Binyamin
HAIFA: 1 Rehov Khayat.
Persons wishing to have their copy sent to them by mail should send an additional 300 pruta to cover postage.

Please register me for 100 HOURS TO SUEZ
Name _____
Address _____
_____
_____
IL4 (IL3.900) enclosed

United Hebrew Congregation of Johannesburg

1. **HAZAN SHENI (2nd Reader) & Baal Kryia**
2. **CHOIRMASTER**

APPLICATIONS are invited from persons under the age of 45, who are FULLY QUALIFIED to serve in the capacity of EITHER ONE or BOTH of the abovementioned positions in the GREAT SYNAGOGUE, JOHANNESBURG, which is the largest Synagogue in South Africa, and the Mother Synagogue of Transvaal.

Only applications from ENGLISH SPEAKING AND FULLY EXPERIENCED persons will be considered and the successful candidate/s must join the Congregational Pensions Fund.

All applications will be treated in the Strictest Confidence and should be addressed to the undersigned giving full details of QUALIFICATIONS, EXPERIENCE, MARITAL & HEALTH STATE, AND EARLIEST DATE AVAILABLE.

Ben Z. Stein, Secretary, P.O.Box 2182, JOHANNESBURG.

OFFERED

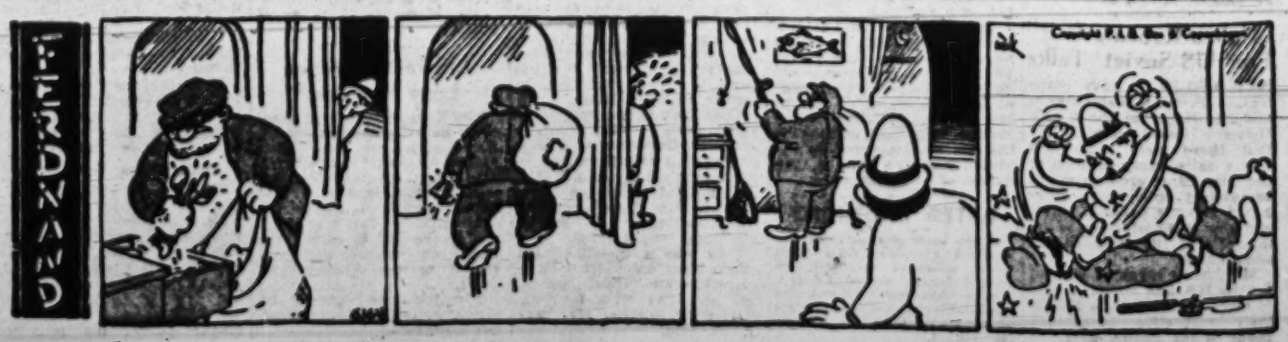
Israel Patent No	Date	Licences for the right to use inventions entitled — Title
5068	9.11.48	IMPROVEMENTS RELATING TO THE CATALYTIC CRACKING OF PETROLEUM HYDROCARBONS.
5093	28.11.48	IMPROVEMENTS RELATING TO THE THERMAL REFORMING OF NAPHTHAS.
5256	1.3.50	IMPROVEMENTS RELATING TO THE DESULPHURISATION OF HYDROCARBONS.
5364	9.5.49	IMPROVEMENTS RELATING TO THE CATALYTIC DESULPHURISATION OF PETROLEUM HYDROCARBONS.
6122	8.11.48	IMPROVEMENTS IN OR RELATING TO FUEL OILS FOR GAS TURBINE ENGINES.
6187	30.6.48	IMPROVEMENTS IN OR RELATING TO THE CATALYTIC DESULPHURISATION OF NAPHTAS.
7295	17.3.53	IMPROVEMENTS RELATING TO THE TREATMENT OF PETROLEUM RESIDUES.

Registered in the name of :— **Anglo-Iranian Oil Company Limited**

8649	10.3.55	IMPROVEMENTS IN OR RELATING TO THE SEPARATION OF HYDROCARBONS.
8708	14.4.55	IMPROVEMENTS RELATING TO THE HYDRO-CATALYTIC DESULPHURISATION OF PETROLEUM HYDROCARBONS.
8709	14.4.55	IMPROVEMENTS RELATING TO THE HYDRO-CATALYTIC DESULPHURISATION OF HYDROCARBONS.

Registered in the name of :— **The British Petroleum Company Limited**

Please apply in writing to :— A. E. MULFORD, Patent Agent, P.O.B. 544, Jerusalem.



Today's Postbag

The Weather

FORECAST: Fair after dispersal of morning clouds.

	A	B	C	D
Mt. Cana'an	78	8	16	27
Tiberias	89	16	28	34
Haifa Port	68	16	21	21
Natanya	74	16	21	23
Tel Aviv Kiryа	75	16	20	21
Tel Aviv Port	77	17	20	20
Lydda Airport	79	14	20	28
Jerusalem	83	10	14	17
Beersheba	—	20	21	32
Eilat	69	17	24	28

"A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday. D) Maximum temp. expected today.

TWO YOUNG LIONS born in the Tel Aviv Zoo have been presented by the town's children to the Haifa Zoo as a gift to the children of Haifa.

• • •

TWO GRENADES were discovered near the Rassco orange grove in the Ashkelon area and a shell was also found at Kfar Silver. They are believed to be left over from the War of Independence.

• • •

THREE advisory committees on the technical training of seamen have been set up by the Ministries of Transport and Labour. The committees have been appointed to help in drawing up plans for the proposed maritime school and the expansion of the ships' officers' college in Acre.

• • •

TSUR, a providence fund for self-employed farmers, will start operating on April 1, its sponsor, the Farmers' Federation, has announced. Mr. Z. Isakson is the chairman of the temporary board of directors of the fund.

• • •

THE PUBLIC HEALTH insurance scheme, when implemented, could rely on the co-operation of the privately owned pharmacies, the annual meeting of the National Pharmacists Union has decided.

• • •

THE JERUSALEM Religious Council calls upon the residents of the capital to contribute to the traditional *Kimha dePis'ha* fund for providing the poor with Passover necessities. The coming Sabbath, *Parashat Hahodesh*, will be devoted to appeals for the fund in all Jerusalem synagogues.

Municipal Tax Systems To Be Based on Incomes

Jerusalem Post Knesset Reporter

Municipalities ran up a deficit of IL7m. in the past fiscal year, in addition to the IL16m. debt of 1955/56, the Minister of Interior, Mr. Y. Bar-Yehuda, told the Knesset yesterday in presenting his Ministry's budget.

Of the IL7m. deficit, Tel Aviv carried over one-third, Jerusalem and Haifa shared the second third with the remainder borne by the other local authorities.

As the first step in overhauling the present municipal tax system, all municipal general rates would be cut by one-third within a few months with a new levy to be substituted on income. This latter tax would be used to refund local authorities the third cut from general rates. The funds remaining would be distributed to the authorities according to the burden of immigrant absorption and the extent of municipal services which each one carried.

While there was no immediate possibility of joining all local and Government taxes into a single, unified income tax system, a study should be undertaken of parallel Treasury and local taxes for the purpose of unifying them.

Furthermore the outdated system of basing municipal taxes on rooms would gradually be converted to a municipal tax, based on a certain percentage of the income tax.

Gov't Share

As to the Government's share in municipal expenses, Mr. Bar-Yehuda said that with the rising tide of immigration, the Government should see itself as a partner in bearing the financial burden for them. It was the Government and not the local authority which determined the point of settlement and the number of immigrants in any place. It should therefore ensure such services as hospitalization and education for a minimal transition period.

Excessive loans for development purposes were one of the instrumental factors in accelerating municipal deficits, Mr. Bar-Yehuda said.

While development was of the utmost importance, a strict re-examination should be made of local budgets in the coming year — a period of mass immigration and security dangers — to determine how much a municipality could permit itself to invest "on the basis of the barest necessary minimum and keeping in mind the allocation of a maximum number of working days."

Cuts in local budgets would also be proposed by a "retrenchment committee" formed following the Minister's meeting last week with Mayors and Chairmen of local Councils, Mr. Bar-Yehuda said. The committee, to include three Municipal representatives, would examine ways of reducing budgets "which still contain large and small items that are necessary to cut or even eliminate entirely."

Defects in Law

The Minister noted that defects in the law made difficult the collection of sums from property owners for road, water and sewage projects, and amendments were to be submitted to correct these faults. "We feel, however, the 'soft hearts' of city fathers towards various taxpayers in the period before elections which result in inefficient collection."

As to the status of local authorities, Mr. Bar-Yehuda said that one should not speak of their "independence," but of their "autonomy." Their privileges and duties *vis-a-vis* the Government should be clearly determined.

The Mapai Knesset faction believes that food subsidies are justified only if they prevent price rises, and as far as it knows that is the aim of the Government, Mr. A. Govrin said *yesterday* when speaking in the debate on the Transport Ministry budget.

U.S. Asked to Let Jews Go for Passover

Chief Rabbis Herzog and Nissim have sent a message to Mr. Edward B. Lawson, the U.S. Ambassador, asking him to convey their request to the State Department to allow American Jews to make their pilgrimage to Jerusalem for Passover. The Chief Rabbis stressed the fact that in the course of 3,000 years of Jewish history not once had this tradition been interrupted, and that they cannot remember a single case where the pilgrimage was forbidden.

The message was handed to Mr. Lawson yesterday by Dr. S. Z. Cahana, Director-General of the Ministry for Religious Affairs.

Scores of messages had been received by the Chief Rabbinate in Jerusalem from various Jewish quarters, groups and rabbis in the U.S. expressing regret that they will not be able to make their pilgrimage this season.

'Truth' on American Aid from Moscow

MOSCOW, Monday. — Commenting on a news item in *The Jerusalem Post* to the effect that talks had been opened between the Israel and the United States Governments concerning the resumption of U.S. aid to Israel, Radio Moscow today said that the break in American aid to Israel had been merely a pretext to lull the Arabs into believing that the United States were their friends.

The "truth of the matter" was, according to Radio Moscow, that American aid to Israel had in fact never been interrupted.

Ollenhauer: Socialists Should Learn from Israel

Jerusalem Post Reporter

Mr. Erich Ollenhauer, Chairman of the West German Social Democratic Party, declared yesterday that European Socialists would do well to study Israel's achievement of giving everyone a fair share of the national wealth while at the same time building up the country.

Mr. Ollenhauer, who is completing a week's visit as the guest of the Government, the Reparations Corporation and Mapai, was addressing a press conference at the Eden Hotel in Jerusalem.

He said that he was greatly impressed with the high standard of living and cultural level prevailing in Israel, and called her "one of the most remarkable countries in the world."

Short, tubby, jolly, with a red face set off by grey hair and horn-rimmed glasses, Mr. Ollenhauer spoke a clean, studied English which belied the modest apologies with which he began. During the question period, however, several questions were asked in German, to which he replied in the same language.

Diplomatic Relations

He declared that his party believed the time had come to establish normal relations with Israel, "to demonstrate the confidence felt on both sides." He looked forward to diplomatic relations that would bring about political and cultural exchanges between Germany and Israel, in addition to the present economic links.

The German Government is discussing a date on which to approach Israel for the opening of diplomatic relations, he revealed. There is some opposition to an exchange of envoys with Israel, but Mr. Ollenhauer felt that it would be overcome after the general elections scheduled for the autumn.

"I hope that our desire will arouse a similar response here," he said.

Questioned about his reception here by Government officials and the general population, Mr. Ollenhauer said that he was glad to note that "all manifestations of the people's feelings were made in a friendly manner."

The Social Democratic Party supports a Middle East solution which would offer Israel "real security and free access to all parts of the world. These are the fundamental rights to which every country is entitled," he said. During the Sinai campaign and immediately following, German public opinion was perfectly willing to find justification for Israel's actions while regarding the Anglo-French attack on Egypt in an entirely different light, he added.

German Security

Turning to the political situation in his own country, Mr. Ollenhauer said that German re-unification hinged largely on the question of security — as viewed respectively from the Eastern and Western points of view. Free general elections, which are the *a priori* condition for re-unification, would completely oust the Communist regime and consequently mean the loss of East Germany to Russia. He claimed that not more than five to eight per cent of the combined German electorate would support the Communists if elections were held today.

His party, he went on, has formulated a solution to the deadlock calling for the inclusion of a unified Germany in a European collective security union, within the U.N. and open to all, which would be conditioned by an East-West agreement on Germany's military status. As the position stands today, he stressed, there can be no European security with a divided Germany.

In reply to another query, he said that the experiences of the Polish and Hungarian uprising were not likely to be repeated in East Germany.

The East Germans, though not united behind the Communist regime, had learned from the 1953 abortive revolt that no uprising could succeed if threatened with Russian intervention. A second essential difference in the position of East Germany is that, unlike in Poland and Hungary, there is no alternative to the present leadership within the Party hierarchy, no one comparable to a Gomulka.

The Social Democrats support the principle of the European Common Market and Euratom but — and here Mr. Ollenhauer emphasized that it was a very big "but" — they could not accept a treaty which would establish tariff barriers between the divided parts of Germany. Though trade today is regulated by agreement owing to the different currencies, there are no customs levied on commerce between East and West Germany.

The Social Democratic Party, which he leads, is the second largest party and the largest opposition party to Chancellor Konrad Adenauer's right-of-centre coalition. Socialists, although not rabid Marxists, the Social Democrats are considered by observers to have very good chances of participating in the Government to be formed after the general elections.

The questions of German rearmament and her Western military ties are the chief issues in the campaign.

Erich Ollenhauer, Chairman of the West German Social Democratic Party, is shown being greeted by Prime Minister Ben-Gurion in the latter's office yesterday.

Photo by Braun

THE POST Used As 'Bait' Along Gaza Strip

YAD MORDECHAI, Monday. — Israel soldiers stationed at the check points to the Gaza Strip go "fishing" with *The Jerusalem Post* when they want to "catch" an officer from the nearby Norwegian unit.

The Norwegians, stationed several hundred yards inside the Strip, are starved for factual reports of the world news. However, they apparently have received orders not to "fraternise" with the Israelis.

Nevertheless whenever *The Jerusalem Post* reaches the Israelis, and the UNEF Norwegians are informed of this fact, an officer or non-commissioned officer generally appears within minutes to borrow the paper and stay for an informal chat.

ISRAEL 1, U.N.E.F. 0

EIN HASHELOSHA, Negev, Monday. — An international football match was held in "no-man's-land" bordering the Gaza Strip this weekend.

This settlement, most of whose members come from South America and speak Spanish, have struck up acquaintance with the Colombian unit stationed in the Strip.

Last Saturday a "selected" eleven from the kibbutz challenged the Colombians. The UNEF unit accepted the invitation — and lost 1-0.

Oil Struck At Heletz 19

ASHKELON, Monday. — At Heletz 19 oil has been struck at 5,000 feet. It is north of Heletz 4 and is 800 metres closer to the first wells which are in the northernmost part of the Heletz oil field.

Rayon to be Major Israel Export

NEW YORK, Monday (INA). — To mark his 70th birthday, the American industrialist and philanthropist, Mr. Israel Rogosin has announced the establishment of a $20m. rayon plant in Israel which will be the largest American-financed business in Israel. Mr. Rogosin is personally supplying $8m., the Israel Government is underwriting $7m. with private individuals and institutions investing the remaining $7m.

Mr. Rogosin also announced that he is contributing $4m. to group research educational institutions in the U.S. and Israel. He is the largest holder of Israel Bonds in the world, having recently purchased $1m. worth.

Mr. Rogosin's announcement came at a dinner tonight given in his honour by the Israel Ambassador and Mrs. Eban on behalf of the State of Israel. Mr. Eban presented Mr. Rogosin with an ancient *Megilla*, the gift of the Israel Government.

It is estimated that half of the rayon plant's production will be exported, thus making it a major export industry.

EXPORT WINES ON SALE IN ISRAEL

RISHON LEZION, Monday. — Export quality sweet wines will be marketed here before Passover, the Carmel Mizrahi cellars announced today.

The company was busy preparing for the local market after filling their export orders to North and South America and Australia, which were double those of last year.

The company will sell a new kind of wine this year, the "White Vermouth."

KFAR KASIM TRIAL OPENS

(Continued from Page One)

into effect were four men riding bicycles. Two were killed. The bodies were left at the side of the road.

Then came a wagon driven by a man with his small daughter at his side, followed by two men and a boy. The driver said his daughter had been frightened by the shots. Police sent the boy into the village with the girl. Two of the three men were killed.

A flock of goats tended by a man and a 12-year-old boy approached. Both were killed.

Minutes later a truck arrived, carrying a passenger beside the driver and three men in the back. One passenger was killed and another wounded.

A wagon with two men approached. Both men were ordered to stand at the side of the road. Several groups of cyclists arrived. They were told to stand near the two men taken from the wagon. When more than a dozen had been collected, they were asked to identify their village. They said Kafr Kasim. An order—"Cut them down"—was given.

Six were killed. Fire was opened on the wounded to kill them also.

Half an hour later a truck carrying 19 persons arrived. everyone was ordered to alight. Ten were killed, among them a seven-year-old boy. Fire was opened on the wounded to kill them.

Another truck came. The driver and passenger were ordered out of the truck. Both were killed.

Girls Killed

A fourth truck carrying four men and 14 women and girls approached. After they had alighted, three men were killed and all the women except a 15-year-old girl, who was wounded in the head and arm. Among the victims were two 13-year-old girls and two 14-year-old girls.

At this time, Segen Dehan, his driver, and a squad of three, were patrolling the village in a jeep.

Segen Dehan came to the western entrance to the village (where all the shooting had taken place) and saw another truck arriving with 20-30 persons. He took them to their homes and ordered them to stay inside. Another time, he met a group of men, women and children returning to the village. The women and children were sent home. Three men were killed.

When news of the killings became known at battalion headquarters, an order was issued to the Defence Force men in the village to shoot only if anyone tried to escape or forcibly refused to observe the curfew, Mr. Gillon continued.

The bodies were taken to Rosh Ha'ayin, identified and prepared for burial.

Mr. Gillon said the policemen had killed the villagers without knowing their names. The killings were carried out by men acting in groups, and every member of a group was guilty individually. He said that the prosecution believed that it could prove that certain men had participated in certain killings, but these suppositions did not justify changing the charge sheet.

It was known that 44 persons were killed at the western entrance to the village and three others at another place.

It was clear, and it would be proven, Mr. Gillon said, that the villagers were returning home from outlying districts and did not know of the curfew, nor could they have known of it.

They were returning peacefully before dark. They were killed without warning, without even being told of the fate that awaited them.

Stationed at the western entrance to the village was Pvt. Ofer and Pvts. Harosh and Avraham. Lance Corporal Uliel and Pvts. Fahima and Nahmani were stationed at the eastern approach to the village. Rav-Seren Shimon Cutler, who came to study sites for possible army action, ordered this squad away. It joined Ofer's squad and participated in the killings.

Lance Corporal Ismail and Pvts. Shaban and Semnitz killed three persons at another place.

All this was done in execution of orders given by Rav-Seren Malinki, Mr. Gillon said. Rav-Seren Malinki was asked by one of his officers what to do with persons who returned after the curfew had come into effect, and who had not known of it.

He answered: "They should be considered as breaking the curfew. The battalion has been ordered to commit murder." However, he added that the policemen had to maintain the honour of the Force. By this he implied, Mr. Gillon said, that the men were forbidden to enter houses and kill persons, or to take them outside and shoot them.

Mr. Gillon said every police man should have refused to obey an order which he knew was "illegal and unreasonable". In other villages, policemen had not obeyed such orders. Villagers returning home after the curfew were not shot.

The prosecutor asked that both Rav-Seren Malinki and Segen Dehan be found guilty of murder. Segen Dehan had personally ordered the killing of three persons.

Mr. Gillon said that Segen Dehan would probably claim that he had obeyed the orders of Rav-Seren Malinki. The latter would probably claim that he was obeying the orders of his superiors.

However, Aluf-Mishne Issachar Shadmi would be called to refute this contention.

Mr. Gillon finished by saying that the Defence Forces had had no share in all this. It was done by the accused of their own volitions.

Mr. Orren rose and asked that the last statement be struck from the record. Mr. Levitsky also asked that this be done. The act (killings) were to be deeply regretted, he said. But the accused were in service and were serving the army. They had acted under orders, not on their own initiative.

Judge Halevi refused to have the statement struck out.

The trial continues this morning at 10.30 a.m.

RATION NEWS

Fish fillet — 200 gr. for coupon 220, temporary coupon 138, 350 pruta a kg.

Onions — in Haifa and vicinity, 200 gr. on coupon Shin 13, temporary 98, 350 pruta a kg. In the southern region distribution of this ration continues.

Marauders Steal From Two Villagers

BEERSHEBA, Monday. — During Saturday night, infiltrators from the Gaza Strip broke into two settlements some 20 kms. from the border.

At Moshav Shuval 2, two infiltrators stole three cows valued at IL4,500. The owner of the cows, hearing suspicious noises, aroused the settlers who opened fire on the infiltrators. But they managed to escape with the animals.

At Moshav Ranneh, the thieves were not so lucky and their booty, 17 goats and one sheep, valued at IL1,060, were recovered by police trackers the next morning, hidden in a cave along a nearby wadi. The police caught up with the infiltrators and opened fire on them, but they managed to escape over the border.

7 Years' Jail For Slaying Settler

Zacharia Amram, of Moshav Mish'an in the Negev, was sentenced to seven years in prison by the Jerusalem District Court yesterday on a charge of manslaughter. Amram admitted to slaying a relative, Shalom Amram, after the prosecution agreed to change the charge from one of premeditated murder to one of manslaughter.

Zacharia Amram had a standing quarrel with the murdered man as a result of their relations with a woman member of the moshav, and the murderer's wife. On the eve of Yom Kippur, September 13, 1956, Zacharia entered the murdered man's dwelling and beat him to death.

The case was heard by Justices Kassan, Golan and Cohen.

Druse Jailed For Evading Service

HAIFA, Monday. — Six Druse youths of Daliat El Carmel pleaded guilty today to having failed to present themselves for Army service. Each was sentenced to one month in prison and to a further five-month suspended term.

The accused said they refused to enlist because of the inequality of rights between Jews and Druse in the Army and in the labour market.

The magistrate said the Military Service Law applied to everybody and evasion by the Druse was spreading. It was up to the courts to stop it by imposing more severe penalties.

In Acre tomorrow, 14 Druse youths of Shfar Am will face the magistrate on similar charges.

Mother Abandons Unwanted Baby

The body of a one-day-old infant was found yesterday near the Brandeis Vocation School in Jerusalem, by an abattoir cleaner, Moshe Ogevi, who turned the bundled corpse over to the police. Within six hours the mother was located.

The mother is said to have told the police that although she was married she had not wanted the child. The body was taken to Avihail Hospital for a *post mortem*.

BABY'S BODY FOUND IN ORANGE GROVE

KFAR SABA, Monday. — Workers in an orange grove at Magdiel near here today found the body of a newborn baby wrapped in a sack. They called the police who removed the body to the Leopold Greenberg Institute of Forensic Medicine at Jaffa where a *post mortem* is being conducted.

The police are trying to ascertain the whereabouts of the mother, but dogs brought to the spot did not succeed in picking up a trail.

A SAFETY DAY will be held in Natanya today.

Thief Robs Hotel Guests, Locks Them in Rooms

ASHKELON, Monday. — A bandit armed with a Czech rifle and wearing a Purim mask succeded in robbing one of Ashkelon's hotels at 11 o'clock last night. He held up the waiter on duty and forced him, at the point of the rifle, to produce a key to an empty room. He then locked the waiter in the room.

The proprietor was at the local theatre at the time.

The thief then proceeded to two other rooms in the hotel in which guests were sleeping, and demanded their money. He took their keys, and locked them inside their rooms.

On the same night burglars broke into the Cooperative store *(Isarchaniya)* in Migdal Ashkelon but apparently took nothing of value. They overlooked IL8,000 in cash which was in the office.

The burglar returned to the lounge after locking the guests in and broke up the till, looting IL150 in cash. He also took IL350 worth of cloth. He cut the telephone connection and left the hotel.

Investigations revealed that the robber had attacked a 75-year-old guard of a neighbouring building and had succeeded in taking away his rifle. He then bound and gagged the guard. The rifle has not yet been recovered.

The burglar was about one metre 70 cms. in height. He spoke a perfect Hebrew and was fair. He wore a beige jacket and light-coloured trousers. He had no gloves. Police this morning were busy taking fingerprints and were also using bloodhounds to track the burglar down. It is believed that the thief was well-acquainted with local conditions.

Full Probe Asked In Wallenberg Mystery

STOCKHOLM, Monday. — The Swedish Zionist Conference here has adopted a resolution calling for a full investigation into the disappearance of Raoul Wallenberg, the Swedish diplomat who was believed to have saved thousands of Budapest Jews from the Nazis, and was recently declared by the Russian authorities to have died in a Moscow prison.

It appears that this decision of the Swedish Zionist conference was not made public for some time, for fear that it might harm Russian Jewry.

In this connection, it is reported from Stockholm that many well-informed newspapers consider Wallenberg to be still living, in spite of the repeated official Soviet denials of this. It will be recalled that the Swedish Minister to Israel asked for the cancellation of a memorial meeting, which was to have been held last week by the World Jewish Congress in the Dan Hotel.

El-Anthony Defends Himself in Camera

The case for the defence in the espionage trial of the Coptic priest, Father Joachim El-Anthony began yesterday behind closed doors in the Jerusalem District Court, after a 10-day postponement. The chief defence witness is the priest himself.

Father El-Anthony was arrested last November at Mandelbaum Gate after documents in his own handwriting, giving information relating to the country's security had allegedly been found in his possession, when he crossed into Jordan the previous month. He is accused of collecting this information and passing it on to the enemy.

The defence counsel is Mr. M. Kohati with the Jerusalem District Attorney, Mr. E. Hodaya, prosecuting. The case is being heard by Judges S. Kassan, M. Golan and M. Cohen.

(Ittim)

Shura Witness Keeps Source Secret

By SHALOM COHEN
Jerusalem Post Reporter

TEL AVIV, Monday. — "I tell you that you had no sources of information that Yarkoni had approached Police Officer Zohar about the IRSO transaction," Mr. M. Caspi said today to Mr. Hanan Rapaport, one of the four Shura defendants charged with libel. Mr. Rapaport, testifying for the second and final day, denied this, but again refused to reveal his sources of information for the allegation in a Shura booklet that the IRSO police file had been improperly closed because it involved Mr. Y. Yarkoni, friend of the Plaintiff, Mr. Amos Ben Gurion, Police Deputy Inspector General.

Mr. Caspi, Counsel for Mr. A. Ben-Gurion, withdrew his request to the Court to charge Mr. Rapaport with contempt. He did so after presiding Judge Zeltner intervened to question the witness.

Mr. Rapaport had refused to say who told him that Mr. Yarkoni had approached Mr. Zohar; that Mr. A. Ben-Gurion had known of the investigation, and that the file had been closed.

After Mr. Caspi had asked the Bench to exercise its prerogative, Judge Zeltner, although plainly reluctant, took an active hand in the proceedings; he emphasised that Mr. Rapaport was not obliged to answer his questions.

"I don't know whether the source was present at the conversation between Yarkoni and Zohar; but it was absolutely reliable, and could have been present," Mr. Rapaport said.

Judge Zeltner: Did the source tell you anything else of the conversation. (Yesterday, Mr. Rapaport testified that Yarkoni had said to Zohar, "I hear you are investigating me; why don't you call me.")

Rapaport: I think so. Yarkoni gave Zohar the explanation that the 26 per cent of the IRSO bills under discussion were spent on transport.

Judge Zeltner: Didn't you ask him who closed the file?

Rapaport: We did. He said he did not know.

3-Hour Meeting

The meeting with the source, Haetzni, and himself had taken place some months before the present suit was filed. It began inside a car, and lasted three hours. "We spoke about Yarkoni for a few minutes, as it was a conclusion of previous talks," Mr. Rapaport stated.

Mr. Rapaport said that the source had said that the investigation was not directed at Yarkoni, but at the IRSO transaction itself. There were sufficient material to charge the four partners, Dresdner, Braun, Yarkoni, and Pilz, the source had stated. Mr. Rapaport declared that the IRSO file had been in the hands of the Attorney General, but he did not know whether before or after the present suit was filed.

Re-examined by Mr. Tamir, the witness said that he "knew" that police circles had warned Yarkoni about the investigation. He himself had not written any part of the booklet; the author was Haetzni, who had also investigated the section on the IRSO transaction. He declared that he could support charges he made earlier when he named several senior police officers as being "corrupt." The head of the Criminal Investigation Department, Belinger, was not corrupt, he said. "I have proof that Belinger said that Bahar, Inspector General of Police, had lied in his testimony."

Called 'Corrupt'

Asked earlier why he had not complained to the police about the file, he said that the head of the Criminal Department, Hofstadter, and the head of the Economic Police, Zohar, were "corrupt." Superintendent Kanner used his position for his private ends. The Minister of Police was a "prisoner of political interests," he said.

The Attorney General, Mr. Haim Cohen, was also a "political prisoner," and did not always act as he might wish. "Haetzni told me that Mr. Cohen had said that if he had been the judge in the Kastner-Greenwald trial, he would have concluded that Kastner had prepared an alibi for Kurt Becher," Mr. Rapaport declared.

He said that he had learned this from Mr. Tamir, and Haetzni, who had been present at the time, did not deny it.

When Mr. Caspi asked the witness to affirm that the Shura had charged the police with inaction after the decision in the Greenwald trial, Mr. Tamir objected. The political purpose behind this question was to associate the Defence with the assassination of Dr. Kastner, as "Davar" was doing, he said. His objection was sustained.

The trial continues tomorrow.

He's young and shrewd. Wants the best for his money and always sees he gets it.

'...Naturally he smokes NELSON!

N.L.19

The Foreign Minister, **Mrs. Golda** Meir, on her arrival by Air France from New York, where she defended Israel before the U.N.

à la pointe du progrès

THE JERUSALEM
POST

Founded as The Palestine Post in 1932. Published daily except on Saturday in Jerusalem by The Palestine Post Ltd. Registered at the G.P.O.

Founder
GERSHON AGRON

Managing Editor
TED R. LURIE

Editorial Office and Management:
JERUSALEM 9 Hahavatzelet P.O.B. 81. Tel. 4233 (4 lines)
TEL AVIV Bureau: 32 Nahlat Binyamin P.O.B. 1136. Tel. 4251/2
HAIFA Bureau: 1 Rehov Khaya: P.O.B. 66. Tel. 4594 (3 lines)
Subscriptions: Local — IL46.800 per year. Abroad — IL80.—

Tuesday, March 26, 1957
28 Adar II, 5717. 26 Sha'aban, 1376

Economic News from Abroad

Competition in Wheat

● World wheat prices have been declining continuously since their post-Suez peak because of lower freight rates and stiffer competition. Savings in shipping to Europe now amount to £1/15 a ton from Argentina and £3/5 from Australia. F.O.B. prices have dropped by approximately £1/5, i.e. by five per cent.

The main pressure comes from the U.S., which has shipped since August more than double the quantity of wheat and flour it exported in the corresponding period of 1955-56. Shipments from Australia have also increased by two thirds, and Argentina, which had a small crop last season, has now much more wheat to sell.

Though France, the other major wheat exporter, has been obliged to turn importer after a bad harvest and other West European countries have also had to increase wheat purchases to offset last year's poor crop, the market is still depressed. The Canadian Wheat Board has recently taken the unprecedented step of introducing a subsidy for wheat flour exports which ranges from three to seven cents a bushel (wheat content) and is charged to the wheat farmers' account.

Greece's Dollar Earnings

● Greece's income from tourism reached a new peak of $31.2m. in 1956 — seven per cent above the sum earned in 1955. Shipping income jumped from $34.2m. to $47.5m. and exports (mainly agricultural products and minerals) rose 36 per cent to $67m. Moreover, income from Greeks living abroad was $61m., as against an average of $48m. in the preceding three years. Greece also gets about $45m. worth of military aid, the counter-value of which is spent for development projects.

Housing Bank's Rural Role

AT long last the "Housing Mortgage Bank" has overtaken the "General Mortgage Bank," having reached a total of IL34.4m. of loans outstanding by the end of 1956, a rise of IL8.3m. as compared with a year ago. Of this amount IL6m. was provided by the Treasury from the Development Budget, but the rest — i.e. almost a third of the total — was "deposits and participations of others," presumably chiefly pension funds and similar institutional saving organizations affiliated to the Histadrut.

Unfortunately, not a word concerning these monies, their terms and interest rates etc. is contained in the Bank's annual report. Nor does it dwell upon the terms on which mortgage loans were granted outside the Government-sponsored schemes. As a matter of fact, these loans accounted for IL3.3m. of last year's total of IL9.7m., namely IL2.7m. for "workers' housing in villages" and IL0.6m. for "others." The remaining mortgage loans were given to New Immigrants, Popular Housing, Veteran Housing etc., at the customary terms and rates. The Bank's net income for 1956 was IL0.58m. (as compared with IL0.48m. in the preceding year) of which IL0.22m. has been appropriated to the tax reserve and IL60,000 is needed for paying a dividend of 8 per cent (7 per cent the year before). The Bank's paid up capital and reserves now amount to IL3m.

C-o-L Allowance A Myth

By DAVID JARVIS

MR. Eshkol and Mr Sapir want — quite rightly — to have no increase in the cost-of-living allowance over the immediate future unless and until the index exceeds 25 points. The trade unions are startled by this challenge into a resolute defence of the allowance. But what they are defending—let us recognize it —is an illusion.

The wage-price mechanism is merely an instrument for rationing out the goods available among the population. Assuming wages to be fixed: if the supply of goods is adequate to meet demand, prices will not change. If prices go up, it means that there are not enough goods to meet effective demand at that wage level. To put wages up will not change the disparity: the supply of goods will continue to remain inadequate. Therefore as soon as wages rise, the index rises once again. And the index will necessarily remain ahead of the allowance until the supply of goods increases.

Wage Adjustment

There are of course certain alternative possibilities. The cost-of-living allowance system obstinately tries to secure that, although there are not enough goods to meet existing demand, wages shall not suffer, so that the loss must be carried by some other sector of the economy. Which other sector? Profits, say the left-wingers. This is fallacy number two. If by profits is meant the money which capitalists stow away unproductively or spend on their personal consumption, these gains have only been protected by the cost-of-living allowance system. For whenever prices rise, then if wages do not undergo a parallel increase, it becomes more difficult to sell goods, and profit margins begin to suffer. Competitive pressures make themselves felt. But whenever prices have risen three points in the index (an increase by now of scarcely more than one per cent) a wage adjustment took place that threw nearly IL1m. per month of new money onto the market (some IL11m. a year). The first consequence of such a measure is to ease the pressure of the marginal capitalist.

Who else is there that can be sacrificed in order to keep wage up? The self-employed —i.e. the co-operatives and the independent craftsmen. These have indeed been left behind in the economic race —though not so far behind, since they have not been slow in putting up their prices to keep up with the rise in costs. In any case, they constitute a part of the country's Histadrut-affiliated working population, and I consider that the cost-of-living allowance cannot be said to have kept the workers' earnings up if it means that one part of the Histadrut continues to receive the same amount of goods as formerly and the other sector in the Histadrut has suffered a decline in living standards. Then there is the lowest stratum—the unemployed and members of new immigrant settlements

Real Loss

These have suffered most of any. Ahdut Ha'avoda and Mapam support the interests of workers in the lower salary grades. Mapai, however, has championed those who stand still lower down in the economic scale — those who are dependent on relief, rehabilitation and budgets for the development of new villages. It is certainly true, as Finance Minister Eshkol said, that wage increases can be obtained at the expense of development projects. The man who pays for the industrial employee's tax-free cost-of-living increment is the new farmer that loses the irrigation pipes which he was due to receive.

In short, when there is a specific quantity of goods to be shared out, what is gained on the financial swings is lost on the roundabouts. Either the extra chicken for the urban worker, or the extra plough for the immigrant settlement. When prices go up, that means it is the one or the other, and not both.

HAVE true wages been maintained then, at the expense of self-employed persons and the development programme? By no means; otherwise the price rise would have halted. If elements other than the employed workers had cut down their consumption of goods by the necessary amount to leave enough for the wage workers' demands, then prices would have become stabilized. But the rise has steadily continued—which means that the wage-earner has continued to be paid less than he imagined.

What has in fact been gained for the wage-worker by the cost-of-living allowance system? First the earnings of craftsmen and co-operatives have lagged behind the rise in nominal wages and have thus slightly fed the earnings of the employed worker. More important, however, has been the Government action in freezing credit. Since the cost-of-living allowance was throwing millions of pounds onto the market every few months, thus effectively preventing the capitalist from feeling the pinch, the Treasury has had to step in and put the pressure on by cutting credit. Finally, the Government has reduced expenditure on investment, and has spent foreign gift and loan money on consumer goods designated to keep up the true wages of the employers.

This gives the impression that, after all, the cost-of-living allowance has been successful in maintaining the true wage of the employed worker. The correct answer is as follows: (a) The true wage of the employed man has lagged. (b) It has lagged a little less than it might because of the greater lag suffered by the non-employee members of the Histadrut. This sacrifice, however, has made only a small contribution to the earnings of the employees. (c) It has lagged less than it might because the Government has frozen credit and spent its own resources of foreign currency on consumer goods.

Concessions Anyway

The point is that wages have been kept up, not by the cost-of-living allowance, but by certain measures taken by the Government. It is perfectly true that the Government has been pressed to adopt these measures owing to the fear of mounting inflation created by the cost-of-living allowance. In that sense the allowance may be said to have frightened the Government into making certain concessions to the consumer. But these concessions could perfectly well have been made without the allowance.

NOW let us take the alternative supposition. If the cost-of-living allowance were abolished, what would (or rather what could be made to) happen? It is certain—and experience in Israel proves it (I refer to the startling decline in prices when the supply of money was slowed down by the Government in 1952) that profits would be cut, and far more efficiently than by the clumsy device of freezing credit. The same applies to the earnings of the self-employed. The Treasury could still keep wages from declining overmuch by the same policy of spending part of its foreign currency on consumer goods.

Consequently it is evident that the real earnings of the employed workers would get no lower than they are anyway. Assuming the total amount of goods to be unchanged, then as a decline would be felt by capitalists and by the self-employed as great as or greater than the decline felt under the present system, the same amount (or slightly more) would be left for the employees. Thus although their nominal wages would look smaller than their present inflated earnings, they would consume just as much in terms of goods and services.

Encouraging Exports

This is, of course, on condition that the Government, freed from the terror of the rising cost-of-living allowance, does not grab the opportunity of radically diminishing its expenditure on imported consumer goods. As concerns local output, no one will deny that stable prices are favourable to its increase. More would go to exports, true. Not only would that be the most valuable, encouraging and constructive single phenomenon that could occur to the Israel economy, it also would do nothing to diminish the supply of goods available on the local market, since it would simply release a corresponding portion of Zionist contributions, bond funds, German reparations, etc., for other uses.

This brings us to the conclusion that the cost-of-living allowance has not raised the workers' real wages to a higher level than they need otherwise have attained, and has merely served to saddle the economy with an obstacle and handicap. Its continued existence merely served to conceal the ineluctable fact that the only way the workers can earn more is by producing more.

Tying Development Plans to Export

By Our Economic Correspondent

THE discussions on the future of development projects which are now being attended by experts of international fame deserve the closest attention. They touch on one of our central problems. Recent surveys have taught us much about the raw materials with which we have to work in industry, as well as about soil conditions and water resources, the main factors in agricultural production. We know something about our oil resources, although not nearly enough to foresee what they can contribute to our economy. We have discovered some raw materials in the Negev and made plans for their use.

Much has been done in recent years to develop our water resources, to reorganize and expand transport facilities and to increase the supply of electric power. In the not too distant future we shall have created the conditions for the development of modern communications, water resources and electric power.

It would be tempting simply to carry on as we have until now, pushing on with development projects in every field without troubling much about priorities. We shall, however, be unable to do so, for the financial means at our disposal are not unlimited. We cannot finance development out of our own earnings because we have to absorb immigration, and so we would have been much more cautious about launching development projects had not German reparations provided funds for new ventures on a large scale. We are now near to the exhaustion of this source and shall be forced to do what should have been done much earlier: to direct the investments into channels which will yield results soon. What is more, we must make sure that we do not launch ambitious schemes which we may be unable to carry through afterwards.

Our planned attention must now be focused on three points: the relation between investments and yield; the period required for the investment to bear fruit; and the relative profitability of various investment fields.

All three points have been raised before, but they never received enough attention, often because employment had to be created or immigrants provided with shelter. Many projects which were classified as development were in reality only remotely connected with it. Moreover, plans were frequently modified: at certain periods the emphasis was on agricultural growth, at others on industrialization. Although one plan after another was worked out and published, none was followed up to its logical conclusion.

Now that only a few years of Reparations remain we have to decide once and for all about priorities. In connection with this, an important new factor has appeared on the scene which is likely to upset former plans—the "drive to the south" made possible by the breaking of the Arab blockade of Eilat.

Two main reasons are said to call for the quick development of the "far south." One is the chance of developing an alternative to the Suez Canal, making Israel a transit country for European-bound oil; the other the possibility of exporting Israel products to Africa and Asia.

Afro-Asian Markets

The first possibility obviously holds out good economic prospects. If the proposal made soon after the Sinai campaign—a big oil pipeline, a railway and a good road from Haifa to Eilat—had been accepted by the Powers, our economy would probably have both experienced an upswing and expanded in a new direction. The decision of the Bermuda conference, to choose Turkey as an outlet for new pipelines, however, somewhat lessens the prospects of international oil transit.

As for export to Africa and Asia, much more research is needed before we can tell exactly how broad the actual possibilities are. At present, all we can say with some certainty is that Eilat is a better export outlet than Haifa for those goods that are bulky and are produced in the Negev. The actual value of such exports is estimated at no more than $20m. per year.

Investments in the "far south" should therefore keep this figure in mind. This would point, for the time being, to building in Eilat not a deep-water port but a jetty that would suffice to facilitate the loading of those goods which are at present available for export. Broader and more ambitious plans should not be launched until we have proved that we can exploit the markets that we propose to open.

We have already reached a point where the cost of transport and the cost of water appear everywhere as the critical factors in our drive to become competitive on the world market. Settlements refuse to buy water because it is too expensive and the Mekorot company has had to raise its rates in order to cover production expenses. The transport of some Negev products is actually more expensive than production.

Three lessons can be learnt for the future from past experience. In the first place, those investments which promise early returns should be made first. Secondly, we should launch big projects only if we are sure that we shall be able to finance them out of remaining Reparations funds. Otherwise, we may find ourselves forced to discontinue them in the middle, thus losing not only future returns but also the money invested. Finally, investments in the "far south" should be pushed ahead only as quickly as we are able to increase our exports through the Red Sea. If we do not heed these lessons we might add new investment failures to the old ones.

Euro Dollars

Advertise in

the Jewish Post

America's only national Anglo-Jewish weekly newspaper
(circulated in all 48 states)
Members of Audit Bureau Circulation

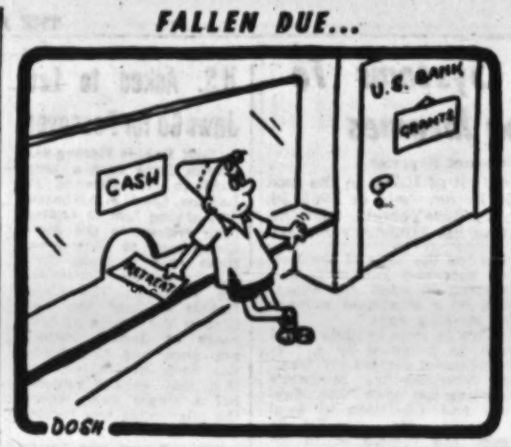
For further details please consult your Advertising Agent or write to our ISRAEL BUREAU:

4 Rehov Gilead Talpiot—Jerusalem
Tel. 2019

In order to expand the present operation in Israel, the National Jewish Post will accept a limited amount of advertising on a first come first served basis, payable in Israel Pounds. Classified advertisements accepted.

The National Jewish Post will soon be obtainable at your local newsstand.

FALLEN DUE...



By arrangement with "Ma'ariv"

Local Milk Replaces Powder

Jerusalem Post Reporter

URGENT measures to increase the use of local milk in the cheese industry have been demanded by Tnuva in order to forestall surpluses in the coming milk glut season. At present most domestic cheese is manufactured from imported milk powder, butter and melted cheese with a relatively small portion of fresh local milk. Tnuva suggests that the use of milk powder for the manufacture of hard cheeses be prohibited altogether and that in melted cheeses all kinds of imported raw materials should account for no more than 10 per cent of the total quantity. In addition, the import of hard cheeses should be curtailed and subject to a levy which should be used to reduce the prices of local cheese.

This last point is of special importance since cheese and milk powder have been acquired largely from American surplus stocks at nominal prices and their domestic prices kept at relatively low levels in order to reduce the local cost of living. Replacement of imported products and materials by local milk and milk products would therefore result in domestic retail prices rising to two and three times their present level, if no way is found to subsidize local production.

U.S. Ban

The competition of imported produce may be eliminated (or reduced) if the ban on U.S. aid to Israel continues. The shortage of American butter has already resulted in a greatly increased demand for the domestic product and a similar development has taken place in the hard cheese market. However, the switch-over results in considerably higher costs to the consumer.

Immigration is another factor expanding the domestic market and thus helping to absorb the rising milk output. In last November milk deliveries were 7 per cent above the November 1955 figure. The seasonal rise of milk output, reaching its peak in April, is expected to be somewhat smaller than in previous years, but even so there may be up to 5-6m. litres monthly added to the winter output, of which a large part will have to go to the processing industry.

Tel Aviv Stock Market

MARCH 25, 1957

Pop. Loan	
1949/69 (IL20)	94
4% Comp. Loan 56/57	76½
3½% War Loan 54/59	95
Pal. Bearer Bds. Ser. 3	92
3½% Tavel Dollar z) y)	75½
4 % Reg. Sterling "A"	90½
Pal. Elec. pref. sh.	
(Lin.)	260
6½% Bonds 57/64 f)	103½
ditto g)	107½
Keren Hayesod 6½ %	
Deb. 58/68 f)	100½
ditto g)	100½
Igroth Ltd. 6½ %	
Deb. 58/68 f)	98
Bassco 6½% Deb., 58/64	
Class "A" f)	100½
Class "B" g)	103½
Bk. Leumi ord. sh.	256
Bearer Savings Cert.	85½
A.P.B. Investment	
6½-6% Conv. Deb.	78
ord. sh. "B" reg.	100½
Gazit ord. sh. "B" reg.	91
Ellern's Inv. ord. d)	144
P.E.C. Inv. ord. "B" reg	87½
Gen. Mortg. Bk. ord. sh.	74½
Bizur 4% debs. 58/68	85
Nir 5% pre. sh.	77½
Pass 4% debs. 60/64 reg.	76½
"Inve" 5% debs.	75½
Afr. Pal Inv. ord. sh.	61½
I.L.D.C. ord. sh. reg.	78
5 % debs.	80½
Bassco 6% pref ord. sh	80½
Ata ord "B" sh.	91½
6-8% con. debs.	80½
"Kardassah" ord. "B"	91½
7% con. debs. 58/68	79½
Heller-Dan ord. sh. reg.	750
Pal.-Brewery 8% con. debs.	80
Assis Bajorano "B" sh.	96
Nesher 6% debs. "A"	116½
Pal. Potash "A" ord. Sh.	69½
"Teva" ord. Sh.	102½
Pal. Cold St. ord. sh.	
reg.	167½
Dolek Ord. sh. "C"	90
Pal. Centr. 8% debs. a)	97½
Mehorot pref. sh.	72½
Jordan Exploration Co.	
Ord. Sh. reg.	378½

Notes: a) purchasing price; b) selling price; c) ex coupon; d) ex-dividend; e) ex-right; f) linked with $; g) linked with C.o.L.; z) in % of IL1,000; y) in per cent.

EXPORT NEWS

Gloves to Switzerland

a newly developed branch of our export, promoted by the Export Bank Ltd.

All Banking Transactions

EXPORT BANK

TEL AVIV HAIFA

Stocks and Commodities

C.-o.-L. Linked Higher

THE C.-o.-L. index linked securities rose somewhat upon the publication of the five-point rise in the February index to 259. However, despite this advance by one to two points, the prices of all C.o.L. linked securities remained considerably under their adjusted par value. It may be recalled that the C.-o.-L. base of the Palestine Electric first issue is C.-o.-L. 233, that of the second issue 239, Keren Hayesod 249, Igrot 248, Rassco 244 and Local Authorities 259.

Dollar-linked and sterling securities continued to withdraw and again lost some ground during the week under report. A similar trend was noticed in the equities section. Here, too, prices were one to two points lower. On the other hand, Africa-Palestine investment shares and Palestine Potash ordinary hardened slightly.

On the "curb," Local Authorities bonds were practically unchanged, Palestine Brewery shares were quoted at 63, 2¼ per cent Compulsory Loan (properties) at 61-61½, Yam Hamelach debentures at 265-270 and founder "B" shares of the Company 29-30. I.P.O. shares suffered a heavy blow after the publication of the pessimistic reports from the Heletz area and prices receded to 12¼.

The demand for Defence Bonds continues and holders of the 6½ and 4% per cent issues should bear in mind that by the end of this month they must decide whether they want these bonds to be linked to the dollar or the C.-o.-L. index.

Wall Street Better Though Irregular

AFTER earlier declines, steady conditions with fractional advance were noticed, with fluctuations, however irregular. Operators kept their commitments to a minimum, awaiting new incentives. This irregular trend was in line with a statement by the Federal Reserve Board chairman according to whom it is still difficult to pronounce which way the U.S. economy will go in 1957.

The Dow-Jones average for 30 Industrials was 474.02 against 473.93 last week.

The rate of the U.S. dollar in terms of Canadian dollars touched a new low of U.S.-$1.0472 = Canadian $1.- This advance in the Canadian currency's premium was due to heavy U.S. investments.

London Brighter on Labour Peace Hopes

HOPES that current efforts will bring about an improvement in the labour situation helped industrials recover from their lowest levels since Christmas.

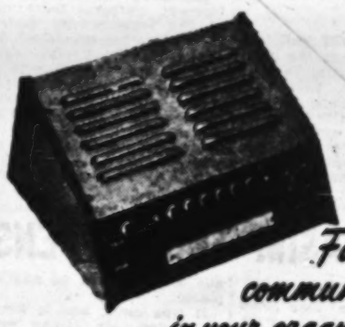
Reuter's Daily Index for Gilt-Edged was 78.7 as against 77.7 and Industrials 202.6, after having earlier touched a low 198.5 as against 204.6 last week.

Big Russian Gold Sales

SOME 4.3m. ounces of gold, largest amount in any year since the war, were sold in 1956 by the U.S.S.R. Reports suggest that considerable offerings of Russian gold were made to meet the payment difficulties of Poland, Hungary and other Communist countries. The review quotes an official Soviet publication, which described the role of gold as a world currency. According to further estimates, by Samuel Montague and Co. in London, more than 10m. ounces of the world's gold production were absorbed for private hoarding purposes, out of which some 3m. ounces were sent to Beirut for distribution in the Middle East. Further 3m. ounces were absorbed by arts and industry.

By arrangement with
I.L. Feuchtwanger Bank Ltd.

Intercom



For better communication in your organisation

Ideal for large offices, banks, factories, stores and hospitals.

Lightens the load on your switchboard and saves you hours of walking time daily.

Strong, sturdy construction in life-long wood-metal cabinets.

Two models available:

Master 6 stations IL470
including purchase tax

Master 12 stations IL680
including purchase tax

One station radio optional at no extra cost on both models.

One year guarantee.

DETAILS AND DEMONSTRATION:
LANDSEAS—EASTERN CO. LTD.
33 REHOV HAHASHMAL, TEL AVIV
PHONE 66800

Manufactured by:

AMERICAN EASTERN ELECTRONICS
RISHON LE-ZION ISRAEL

EXPORT BANK LTD.

BALANCE SHEET AS AT SEPTEMBER 30, 1956

30.9.56 IL.		Authorised IL.	Issued & Paid IL.
	SHARE CAPITAL		
30,500	1500 Ordinary Shares of IL. 1 each	1,500	1,500
5,000	10000 Ordinary A Shares of IL. 1 each	10,000	5,000
470,000	3956 Ordinary B Shares of IL.250 each	989,000	877,500
4,500	90 8% Cumulative Preference Shares of IL.50 each	4,500	4,500
500,000		1,005,000	888,750
879,148	CURRENT ACCOUNTS, DEPOSITS, RESERVES AND BALANCE OF PROFIT AND LOSS ACCOUNT	2,384,078	
	SPECIAL DEPOSIT OF ISRAEL GOVERNMENT	700,675	3,083,753
	LIABILITIES		
147,051	under Letters of Credit, Acceptances, Guarantees and Rediscount		1,437,337
926,199			5,309,840
	CONTRA ACCOUNTS		
338,367	Bills and Documents for collection, Security and Deposit		1,158,485

30.9.55 IL.		IL.	IL.
	CASH AND BANKS		
230,852	Cash on hand, Balances with Bank of Israel and other Banks in Israel and abroad		1,444,326
	INVESTMENTS		
18,857	At cost or under, not exceeding market prices		73,390
	LOANS TO CUSTOMERS AND OTHER ACCOUNTS less: provision for doubtful debts	1,394,411	
408,859	LOANS FROM SPECIAL DEPOSITS AND JOINT FUND WITH GOVERNMENT	869,691	2,253,813
287,174	FIXED ASSETS, ACQUISITION OF RENTED PREMISES AND PRELIMINARY EXPENSES (at cost less depreciation)		200,975
	CUSTOMERS' LIABILITIES		
147,051	under Letters of Credit, Acceptances, Guarantees and Rediscount		1,437,337
926,193			5,309,840
	CONTRA ACCOUNTS		
338,367	Bills and Documents for collection, Security and Deposit		1,158,485

Chairman of the Board: ISAAC WOLFSON
General Managing Director: MOSHE MAYER
Managing Director: MORDECHAY MAYER
Managing Director: WALTER ADAM

NOTE: U.S.A. Dollars were calculated at the rate of $1—IL1.800; other currencies at adequate rates.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have examined the above Balance Sheet as at September 30, 1956, and the annexed Profit and Loss Account. We have obtained all the information and explanations which to the best of our belief were necessary for the purposes of our audit. In our opinion and to the extent of our audit, proper books of accounts have been kept by the Bank. We ascertained to our satisfaction the Cash on Hand and at Banks, and also verified the Investments.
The said Balance Sheet and Profit and Loss Account are in agreement with the books of accounts; in our opinion and to the best of our information and explanations received, the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at September 30, 1956, and the Profit and Loss Account gives a true and fair view of the results of the Bank's activities for the year ended at that date.

Tel Aviv, October 25, 1956.

I. LUBOSHITZ & Co.
Certified Public Accountants, (Isr.).

FELLMAN, LIVAY & Co.
Certified Public Accountants, (Isr.).